

ABN Amro is cutting 1,200 of its 5,000 IT workers, and the bank plans to outsource some of the remaining employees. **PAGE 4**

Microsoft and Citrix agree to continue cooperating on technology for remotely accessing Windows systems. **PAGE 6**

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OUR 6TH ANNUAL PREMIER 100 IT LEADERS ISSUE

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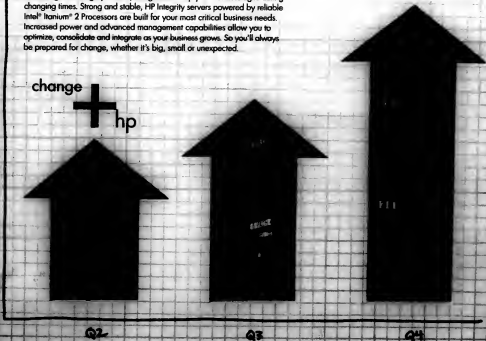
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Today's IT leaders operate in a vast sphere. They are multidimensional business executives, by turns global architects, employee boosters and deal negotiators. It's all in a day's work for Computerworld's 2005 Premier 100 IT Leaders.



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South

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JOHN R. DICK



VICKIE M. SMITH



JAN O. RIEDEL



RON J. PORTER

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ABN Amro Slashes IT Workforce by 1,200

Dutch bank also plans to boost outsourcing efforts

BY LUCAS MEEHAN

ABN AMRO BANK NV has announced plans to cut its IT workforce by almost a quarter, or 1,200 employees, under a restructuring plan to reduce costs amid declining revenue and profits.

The Amsterdam-based bank also said it plans to outsource an as-yet-undetermined percentage of its remaining 1,800 IT staff members. Details weren't disclosed. Some bank units currently use outsourcing firms for certain projects.

The IT workforce reduction is part of a plan announced by the bank last month to cut

2,850 jobs over 18 months to save more than \$1 billion per year. ABN Amro employs 104,000 workers worldwide, including 5,000 in its IT department. Bank officials also said there are plans to consolidate 30 major data centers throughout the world into five hubs over the next two years.

The hubs will likely be located near regional headquarters in the midwestern U.S., Brazil, China, India and the Netherlands, India and China, according to ABN Amro spokesman Jochem van de Laarschot.

The bank may also consolidate operations onto one core banking system, van de Laarschot said. "In-house consolidation (cuts) costs and the number of IT jobs within ABN Amro," he said.

The IT cuts, related to sys-

A few years ago, it wasn't possible to offshore a number of activities, but now it is.

JOCHEN VAN DE LAARSCHOT, SPOKESMAN, ABN AMRO

tems maintenance and application development operations, expand on a major restructuring plan announced in August. The company has eliminated about 15,000 positions since 2000 because of financial woes.

ABN Amro said the latest workforce reduction is a reaction to declining revenue and a need to standardize IT operations across its many lines of

business. The bank said in November that it expects revenue next year to decline by between \$200 million and \$334 million in its North American business alone.

The IT staffs based in the U.S. and the Netherlands will be most affected by the cuts. Those IT units are larger than those in the other 60 countries in which the bank operates.

Negotiations are under way with potential outsourcing to take over more IT maintenance and development operations, van de Laarschot said. "We have had one round of negotiations with potential vendors, which has led to a short list of a couple of parties we are still talking with," he said.

Eye on the Bottom Line

Guillermo Kopp, an analyst at research firm TowerGroup in Needham, Mass., said ABN Amro's moves are part of a larger corporate trend to outsource maintenance and software development overseas.

"This is about partnering

with providers who can provide better-quality work at a lower cost and pull in some synergies across the enterprise," Kopp said.

ABN Amro currently operates its own offshoring unit in India called Central Group Services. In 2002, the bank also signed a five-year, \$1.3 billion IT services outsourcing contract with Electronic Data Systems Corp. for its whole-sale client unit.

According to Kopp, the financial services industry in the U.S. spends about \$200 million a year on IT outsourcing. Offshore outsourcing will allow ABN Amro to combine a "higher level of quality with lower cost," he said.

"A few years ago, it wasn't possible to offshore a number of activities to other countries, but now it is," van de Laarschot said, citing earlier concerns about the quality of offshore work. "One of the things that will certainly remain (in-house) is security and continuity of our systems." ■ **EW39**

First Horizon, SunTrust First Banks to Share Check Images

Southeastern banks overcome technical issues

BY LUCAS MEEHAN

Two of the nation's largest banks went live late last year with electronic check-image exchange, a process experts estimate will someday save the industry billions of dollars.

First Horizon National Corp. in Memphis and SunTrust Banks Inc. in Atlanta claim to be the first U.S. banks to begin sharing electronic check images.

The two banks were among the first in the nation to overcome the difficult technical hurdle of automating second-day check-processing techniques, a task that had to be accomplished before check sharing could be started. The

banks also had to agree to rules for exchanging images.

The images are captured at the banks but are archived in a central repository run by New York-based Viewpoint Archive Services LLC, which exchanges the checks between the banks.

While the two banks are fierce competitors, each can benefit from the technology agreement because it means they no longer need to transport tens of thousands of checks to each other every day via air cargo shipments.

"It costs half a penny to two pennies to transport a check," said Taylor Vaughan, senior vice president of treasury management services at First Horizon. "That cost is gone. The other cost involves putting paper checks on the check sorter. That cost goes away now too."

The door for electronic check-image exchange between banks was opened by the Check Clearing for the 21st Century Act, or Check 21, which took effect on Oct. 28, 2004. Check 21 states that banks can substitute image-replacement documents for original paper checks, which can then be destroyed.

Impetus for Change

Stessa Cohen, an analyst at Gartner Inc., said that as check-image exchange increases, the cost of paper-check processing will also increase, adding incentives for more banks to exchange check images with one another.

"Many smaller banks and community banks have out-sourced (electronic) item-processing already," she said. For larger banks, such as

Sharing Check Images

Viewpoint members to be phased up by the end of 2005:

- Bank of America
- J.P. Morgan Chase
- HSBC Holdings
- National City
- Zions Bancorporation
- U.S. Bancorp
- BBK
- Harris Bank

Bank of America Corp. or HSBC Holdings PLC, central networks will likely be established over the next few years, just as they were for automated teller machines, Cohen said.

Central-repository services, such as ones run by Viewpoint, Fiserv Inc. and Metavante Corp., will likely become the most popular services for larger banks performing electronic image exchange because

of the high cost of exclusive links between banks, Cohen said. Experts said they also expect links to be created between the repositories.

Viewpoint's 10 members, including Bank of America and J.P. Morgan Chase & Co., are expected to gain similar check-sharing abilities by the end of 2005, once back-end work is done and image-sharing rules are agreed to, said John Lettko, CEO of Viewpoint.

Bank of America and J.P. Morgan Chase last year conducted a six-month image-exchange test project that was ended after only four months because neither bank could handle second-day processing.

"From a standardization point of view, we're pretty much done," Lettko said, referring to image-exchange rules between member banks.

Lettko said that Viewpoint, founded by Bank of America, J.P. Morgan Chase and IBM in 2000, will continue to pair banks based on their ability to execute second-day check processing. ■ **EW34**

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BRIEFS

Duffield Resigns
PeopleSoft Posts

David Duffield resigned as PeopleSoft Inc.'s CEO and chairman last month, just eight days after Oracle Corp. reached an agreement to buy the firm for \$10.3 billion. Duffield, a PeopleSoft co-founder, explained Oracle's move as CEO three months ago. A PeopleSoft spokesman said the company had no comment beyond what he said in an SEC filing disclosing the move.

Gartner Snaps Up
Meta for \$162M

Stamford, Conn.-based Gartner Inc. last week said it will acquire rival Meta Group Inc. for \$162 million in cash. The boards of both IT research firms approved the deal, which is expected to close by mid-2005. Gartner, which has 76 locations worldwide, had \$656 million in revenue in 2004. Meta Group reported \$122 million in revenue for 2004. The company, also based in Stamford, has offices in 52 locations.

EMC Buys Another
Software Company

EMC Corp. continued to expand its software portfolio, announcing in late December that it had agreed to acquire System Management ARTS Inc. for \$260 million in cash. Previously, EMC's SMARTS, a maker of end-user automation and real-time network systems management software, projects 2004 revenue of slightly more than \$80 million.

IBM Details 2005
Server Plans

IBM expects to ship a new 32-processor server based on Intel Corp.'s Xeon processors in the first half of 2005 and may begin selling its first high-density blade server based on Advanced Micro Devices Inc.'s Opteron processors, executives said last month. Susan Whitby, senior general manager, also hinted that IBM may soon begin selling its first Opteron blade system.

Microsoft and Citrix
Add Longhorn to Pact

Agreement gives Citrix access to next version of Windows Server software

BY HEATHER HAVENSTEIN
CITRIX SYSTEMS INC. and Microsoft Corp. late last month agreed to extend their long-standing partnership to include Longhorn server software.

Under the latest contract, Citrix agreed to support the next version of the Windows Server — code-named Longhorn — in its access products. The five-year agreement also gives Citrix continued access to Microsoft Windows Server source code while providing for patent cross-licensing. In addition, the agreement calls for new technical collaboration to enhance the extensibility of Windows Terminal Server.

Citrix's MetaFrame Access Suite runs on Microsoft's Terminal Server, which is designed to deliver Windows-based applications or the Windows desktop itself to any computing device, including those that can't run Windows. Fort Lauderdale, Fla.-based Citrix's technology allows about 50 million users to access Windows-based computers, said Nabeel Youkian, area vice president of the Microsoft global relationship at Citrix.

Reducing Uncertainty

Because Citrix focuses its access products on extending the functionality of Terminal Server with features such as security and management tools, the agreement should reduce any customer uncertainty about whether Microsoft has plans for Longhorn to compete with the Citrix software, Youkian said.

Alan Kauffman, vice president and CIO at the March of Dimes Birth Defects Foundation in White Plains, N.Y., said his organization was relieved

that Microsoft and Citrix will continue their relationship. The March of Dimes has completed a pilot and is planning to deploy Citrix technology enterprise-wide to 1,500 users at 250 offices to centrally manage Windows applications.

"We are going to have nothing on the desktop," Kauffman said. "It does require very tight integration between Microsoft server products and Citrix. This is a big investment for us."

Steve Anderson, director of

Microsoft's Windows server division, said the pact provides Microsoft users with

"continuity and the ability to integrate new platform into their existing infrastructure." This deal extends a 2002 agreement that gave Citrix access to the Windows Server source code. The first formalities between the two date back to 1997, when Citrix licensed code to Microsoft that served as the foundation for Terminal Server, said Dwight Davis, an analyst at Summit Strategies Inc. in Boston. At the time, Microsoft was considering crafting its own product from scratch, he added, but it in-

RLX Retrenches, Exits
Blade Server Business

Market pioneer to offer its software on other systems

BY TODD R. WEISS

Faced with intense competition from Dell Inc., Hewlett-Packard Co., IBM and other top systems vendors, blade server pioneer RLX Technologies Inc. is dropping out of the hardware business to focus on its Control Tower server management software.

RLX said on Dec. 23 that it plans to offer Control Tower for use with all of the major server and blade server product lines on the market. The company added that it will work with users and key server vendors in an effort to expand Control Tower's compatibility with hardware beyond RLX's own systems.

Scott Farrand, vice president of software engineering at The Woodlands, Texas-based RLX, said the blade server market has become overcrowded since the company unveiled what it claimed

was the first ultradense blade server back in 2001.

"The blade market is commoditized, which is only advantageous to the big players," Farrand said. "There are economies of scale that a small company can't achieve."

Surprise Move

Chris Stettler, director of IT at AHC Inc. in Manassas, Va., said RLX's decision to exit the hardware business took him by surprise. After a monthlong comparison of blade servers from different vendors, Stettler recently decided to recommend buying RLX systems for some projects at AHC, which offers accounts receivable and bill-collection services to health care providers. But now he's scuttling that plan.

"Too bad," Stettler said. "I was going to make a pretty significant purchase from them. But it's better to happen before we purchased than after."

RLX's hardware was highly recommended by an IT consultant who helped AHC with the evaluation, Stettler said, adding

stead turned to Citrix.

The latest agreement is beneficial both to Citrix users and to Microsoft, Davis said. For users, "it gives them assurance that there is a road map to stay on the [Citrix] platform and the assurance that it should keep pace with the evolution of the Windows platform."

In addition, the new technical collaboration piece of the agreement may yield enhancements to the Longhorn server, he added.

For its part, Microsoft continues to benefit from the significant revenue Citrix drives its way — currently projected by Citrix to be about \$300 million for fiscal 2005 — from Citrix users who purchase Windows licenses.

Microsoft plans to release the beta version of the Longhorn server during the second half of 2005. **© 19837**

that his company will regroup and seek another vendor.

In late November, RLX rolled out three new blade servers, including a dual-processor system based on Intel Corp.'s Xeon processor. RLX said that system, called the S86400, was the sixth generation of its hardware.

RLX will fulfill its remaining blade server orders and continue to provide hardware support to users until the warranties on their hardware expire, according to Farrand. It will also provide its blade server users with extensions to the Control Tower software suite under existing support agreements. "We have a big commitment to our customers out there," Farrand said.

He added that by focusing on Control Tower, RLX will be able to market the software to the installed bases of other blade server makers. "Typically, as markets mature like this, the first movers need to reinvent themselves," he said.

RLX laid off an undisclosed number of workers as a result of the strategy change, and Farrand wouldn't say how many people remain at the privately held company. **© 19856**

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GLOBAL

An International IT News Digest

LG's IT Services Unit Sets Up Shop in India

BANGALORE, INDIA

LG CNS CO., the IT services arm of Seoul-based LG Group, has set up a subsidiary here as a base for providing systems integration, application development and other IT services to clients in the U.S. and Europe.

The Bangalore unit, which was formally announced last month, will initially have about 120 staffers, and its workforce is expected to increase to more than 600 later this year.

LG CNS currently gets about 90% of its revenue from customers in South Korea, with roughly half of that business coming from other LG Group companies. The Indian subsidiary is intended to help the IT services operation boost revenue in markets outside of South Korea and earn more business from customers that aren't part of LG Group.

LG CNS was founded in 1987 as a joint venture between LG Group and Electronic Data Systems Corp. But LG Group acquired EDS's stake in

2001, creating an opportunity for LG CNS to address markets outside South Korea. Before that, by mutual agreement, LG CNS didn't offer services in other countries.

■ JOHN BRIDGER, IDG NEWS SERVICE

EU Funds Research On Linux Project Tools

PARIS

A COALITION of European research institutions and open-source software vendors announced plans on Dec. 21 to build development and management tools intended to make it easier to carry out complex IT projects involving Linux and other open-source technology.

The group has secured 2.2 million euros (\$2.9 million U.S.) from the European Union plus additional funding from its participants, for a total of 3.4 million euros (\$4.6 million U.S.). Members include the French National Institute for Research in Computer Science and Control (also known as INRIA) and Paris-based Linux vendor MandrakeSoft SA.

The coalition said it will develop tools such as a peer-to-peer application to help system builders install and integrate various Linux components and track their dependencies. Another planned tool is an automated testing suite for Linux.

■ JAMES NICCOLAI, IDG NEWS SERVICE

Poles Delay Approval Of EU Software Patents

BRUSSELS

THE EUROPEAN UNION has delayed a vote on adopting rules covering patents for computer-implemented inventions until later this year, after Poland asked for more time to ensure that the rules won't allow software to be patented.

In May, the EU Council of Ministers reached a draft agreement, which the ministers were expected to formally approve at a meeting on Dec. 21. But Polish officials asked for a delay on the grounds that the draft proposal puts small and medium-size businesses at a disadvantage.

Critics of the draft rules, including members of the open-source community, say that patenting software would give large vendors an advantage over smaller developers and stifle innovation.

■ SIMON TAYLOR, IDG NEWS SERVICE

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Compiled by Mitch Betts.

Briefly Noted

Cisco Systems Inc. plans to open a Tokyo-based research and development center in February focused on Internet software and routing technologies. The company said it will invest \$12 million over five years in the center, which initially will employ 10 engineers.

■ PAUL KALLENDER,

IDG NEWS SERVICE

SAP AG dominates the ERP software market in Western Europe in 10 vertical industries studied, according to a recent IDC report. SAP has an overwhelming market share lead in its home country of Germany, while No. 2 vendor Oracle Corp. is ahead of SAP in some industries in the U.K. and France.

Germany's Ministry of Education and Research has assembled a group to study the impact that ubiquitous computing, such as the use of wireless technologies and sensors in homes, offices and public areas, has on privacy.

■ JOHN BLAU,

IDG NEWS SERVICE

European Ruling May Limit Microsoft's Bundling Options

BY SIMON TAYLOR
BRUSSELS

A judge's ruling that Microsoft Corp. must comply with a ban on bundling imposed by the European Commission while pursuing an appeal of them may affect the company's ability to bundle new technology into its operating system, according to analysts.

In a decision issued Dec. 22, Jo Vesterdof, president of the European Union's Court of First Instance, rejected Microsoft's request that the antitrust sanctions be suspended until its appeal is considered—a process that is expected to take as long as five years.

Vesterdof, who presides over Europe's second-highest court, said Microsoft must offer a version of Windows

without its Media Player software and publish application programming interfaces that should make it easier for rivals to integrate their products with Windows.

Rick Sheridan, a financial analyst at The Goldman Sachs Group Inc. in New York, wrote in a research note that he doesn't expect Vesterdof's decision to be very harmful to Microsoft's business in and of itself. He noted that there likely will be little interest among users in buying a Windows version without Media Player.

But, he added, the court ruling could pave the way for regulators to argue that future additions to Windows, such as antivirus tools or search-engine software, should also be offered in an unbundled

fashion. "It is the precedent which is really at issue in the [European] case," he wrote.

Creating Ambiguity

Philip Carnell, a technology analyst at London-based Ovum Ltd., made similar comments in a report about Vesterdof's ruling. "The Media Player sanction is a comparatively minor irritant for Microsoft," Carnell wrote. But the unbundling requirement could "lead to ambiguity" about Microsoft's freedom to build more functionality into Windows, he added.

"Until this time, bundling was the clear winning strategy and... played to CIO's and consumers' desire for less complexity and management overhead in their computer

systems," Carnell wrote.

"The EU has changed the ground rules, and it's not clear who the winners will ultimately be."

Brad Smith, Microsoft's general counsel, said during a teleconference that a version of Windows without Media Player will become available from PC makers in Europe this month. The company will also set up a Web site with information about how other server software vendors can license the communications protocols that Microsoft is being required to release, Smith said.

Although Vesterdof ruled against Microsoft's request to suspend the sanctions, the company said it was encouraged by parts of the decision,

such as a finding that the European Commission has yet to fully prove its claim that competitors need access to the communications protocols.

The court's recognition that arguments to the contrary by Microsoft may have merit gives company officials hope that a settlement could still be reached with the commission, according to Smith. "There's ample room for us to press forward with optimism," he said.

The European Commission didn't immediately comment on the decision. Unless Microsoft appeals, the case now goes to a five-judge panel that will begin assessing the company's appeal of the sanctions.

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Taylor is a reporter for the IDG News Service. The newspaper's Scarlett Pruitt also contributed to this story.

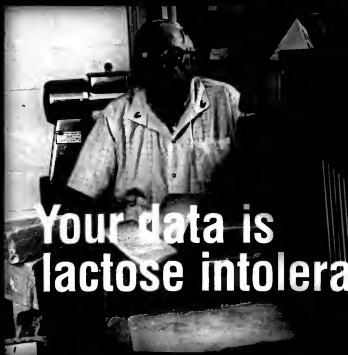





**Your data
is 7 pounds,
3 ounces.**



There is a small, faint, rectangular object, possibly a book spine or a piece of equipment, visible on the left side of the page. It has a lighter, possibly metallic, band near the top and bottom. The rest of the page is black.



**Your data is
lactose intolerant**



Medical data is more than 1's and 0's. It's what lets someone gain control of their life, choose a doctor or even find the right kind of food. That's why hospitals around the world trust Hitachi storage technologies to protect their data, and his stomach.

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the ruler of the
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A dark, grainy, black and white photograph. In the center-right, a person wearing a dark suit and a white shirt is visible from the chest up. They are looking towards the left at a vertical rectangular screen or monitor. The screen displays a bright, glowing grid pattern, resembling a data visualization or a digital display. The background is almost entirely black, with some faint, indistinct shapes and light reflecting off surfaces, creating a high-contrast, moody atmosphere. The overall image has a vintage, low-quality aesthetic.

**Your data sleep
well at night.**



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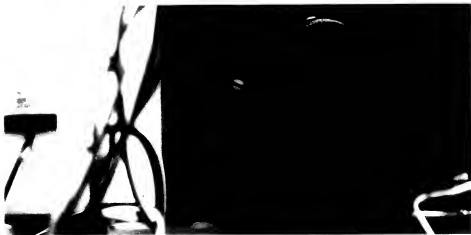
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WHAT'S HOT



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"You have to develop a mosaic view of the world. As a global CIO, you have to know which piece fits where. When one piece changes, it resonates somewhere else."



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36 GEORGE T. PITT, vice chairman, senior vice president and CIO of corporate systems at MetLife Inc.
"It's leadership to stand up for something when it's easier to agree with everybody else. It's harder to take a position and get people to come over."

INTERVIEW

NEW HEIGHTS

IT HAS BEEN SAID that the highest station to which a person can aspire is the station of servitude. The idea is that there is no greater calling than to be of service to others. Such an approach to one's occupation — and to one's life in general, for that matter — involves a humility and a selflessness that can't help but strengthen bonds and nurture relationships in and out of the workplace.

The respect and admiration I've long had for anyone who aspires to that lofty goal are what, more than anything else, have put me in awe of this year's class of Premier 100 IT Leaders. That's why I was particularly struck by Jeffery M. Marshall, CIO at The Men's Wearhouse, who said he practices "servant leadership" in fulfilling his obligation to promote and protect the interests of the company's 12,000 employees.

Similarly, Stephen C. Platt, CIO at Mine Safety Appliances, said he makes a point of asking questions like, "Where does it hurt?" and "How can we help?" Platt recounted a case in which one of the company's senior executives expressed frustration over missed order-delivery dates. And although the problem wasn't directly related to IT, Platt made it his problem, and he and his team solved it. That's what being of service is all about.

Hand in hand with that commitment to servitude goes a commitment to fostering diversity, since the latter also installs an appreciation for what lies beyond our territorial priorities and, perhaps, outside of our comfort zones. Recognizing the value of contributions from people with different national and cultural backgrounds is another hallmark of outstanding leadership.

That appreciation was articulated over and over

by this year's group of Premier 100 IT Leaders. "You want diversity of thought" to "bring this best of all worlds together," said Barbara J. Kunkel, CEO and IT director at Nuon Foodco, a law firm with a global workforce. "You don't want the same mind set." Ron Crain, technology director at Kansas City International Airport, echoed that sentiment. "Seek out intellectual diversity," Crain advised. "Too many IT practitioners suffer from mental enfeeblement as a result of interacting only with people like themselves."

This virtue and looking approach is well demonstrated in Julia King's story, "The World IT," on page 12. It's in that story that John S. Parkinson, vice president and chief technologist at Cigna, made it clear, "Part of the value of global diversity is you try different things." It's a simple but sublime observation. And it's one that has yielded a 40-year mind training program to bring employees from different continents together so they can ultimately act with their colleagues from other cultures. It just doesn't get any cooler than that.

Our congratulations, and our gratitude, go out to our Premier 100 IT Leaders for 2005. Thanks for reminding us that a global oneness built on a spirit of servitude and an appreciation for our diversity will benefit us far more than technology ever will.

51606



IT leaders who double as global CIOs understand the importance of worldwide consistency.

By Julia King

FOR ANDRÉ SPITZ, CIO of UNICEF, the challenge is always the same: deploying mission-critical systems in unpredictable and often dangerous settings, like war-torn Liberia or flood-ravaged Haiti, where communications access can be severely limited or altogether absent.

The solution is always the same, too: a standardized "fly-away" satellite kit that enables an IT team to set up voice, fax, data, e-mail and even videoconferencing capabilities in about four hours. Emergency workers for The United Nations International Children's Emergency Fund — whose territory includes 160 developing countries — also gain access to the relief organization's back-end systems and a full suite of office applications. This is because the fly-away kits, which UNICEF developed jointly with its IP satellite services provider, are built to the same standards as UNICEF's overall global IT infrastructure.

In other words, everybody does the same things in the same way, which is the Holy

Continued on page 14



UNICEF cut costs and improved security when it centralized its global IT operations, which span 160 countries, says CIO André Spitz.

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Continued from page 12

Global in the world of global IT operations, according to Spatz and other Premier 100 IT Leaders

CONSENSUS ACROSS CULTURES

"In UNICEF, we have a very decentralised operating model but also have centralized the whole of IT," which uses the same technology standards and business processes around the world, Spatz says. "That's worked to reduce costs, reduce diversity and improve operations and security."

But getting there isn't easy. Cultural barriers, language differences and business processes that can vary widely from country to country are just a few of the more predictable yet challenging hurdles that global CIOs face.

There are often also political riffs to contend with. IT groups accustomed to doing things one way in their home countries frequently view their counterparts from other areas of the world with distrust. Rarely do the groups take the same approach to business and technology issues, even when they work for the same global company.

For all of those reasons, building trust must come first and foremost on any global IT project agenda, CIOs say.

"It means endless hours of consensus building," says John S. Parkinson, vice president and chief technologist at Capgemini in Rosemead, Ill. The company recently completed the deployment of global single-sign-on capabilities to 53,000 employees in 40 countries. "This has been a two-year journey that has simplified use of our distributed intranet and extranet for all our staff and reduced support costs by over 25%," Parkinson says.

Before, Capgemini had more than a dozen ways to sign onto its sprawling network of global systems, with only one or two of those sign-on techniques common across all of its operating locations. The upshot was that everyone in the company had to sign on at least twice, Parkinson recalls.

Part of the value of global diversity is you try different things.

JOHN S. PARKINSON, CAPGEMINI

The decision came down to whether the company should rip out all of those systems and start over or find a way to unify them under a single password per user. Ultimately, "we came up with

You have to develop a mosaic view of the world. As a global CIO, you have to know which piece fits where. When one piece changes, it resonates somewhere else.

ANDRE SPATZ, UNICEF

a way to transport [user] credentials around the organization, so it appears you're only signing on once. It's technically more complicated, but it was the correct and pragmatic answer because it preserved as much of our investment as possible," Parkinson says.

To ensure that all international project managers were on the same page, Capgemini sent them through its internal project management school.

"We put people together in classes in Hong Kong, Europe or the U.S. so they could get mixed up with their colleagues from different cultures," Parkinson explains. "Any one on a global project goes through this course. It's expensive, but nowhere near as expensive as blowing a global project."

EVERYONE IN THE SAME ROOM

Global CIOs agree that face-to-face meetings, at least at the beginning of a global project, are absolutely essential.

To mad down the exact business and technical requirements for a new Web-based system for the company's marketing managers, Sandeep Bhatia, director of global customer technology at Dublin, Calif.-based Franklin Templeton Investments, organized joint application development (JAD) sessions. They included line-of-business managers, technical personnel and marketing managers from around the world. The meetings, which were conducted in English, took place in San Mateo, Calif., and in Europe.

"We took extra measures to make sure there was a forum for the different regional marketing heads to present their concerns and escalate them," Bhatia says. "We also had to do some level-setting on certain terminology. What we'd say is a requirement in a JAD session may not really resonate with some people from other geographies or from a process standpoint. People in smaller geographies also had no experience working on

such a grand scale in a collaborative environment."

The JAD sessions spanned a six-month period. "One of the key reasons the sessions took so long were the cultural issues," Bhatia says. "There are a lot of unique needs in different geographies." For example, some regions have small marketing staffs with just a few people playing multiple roles, and each role required a different way of accessing and navigating the system.

"You have to be very aware of minor details on global projects," Bhatia says. "You have to pay attention to details. You can't do this at a 50,000-foot level. The way we pulled it off was a lot of communication. We had to make sure the system would meet all users' needs. It took a lot of perseverance and patience, but after a while, everyone started to jell together."

The result is a Web-based system that lets Franklin Templeton marketing managers around the globe generate customized fund fact sheets in near real time for their commercial clients in the financial services industry. Before, the fact sheets were produced entirely by hand, with marketing managers in one country often reworking fact sheets that had already been created by a Franklin Templeton marketing department in another part of the world. Now, different marketing organizations are free to leverage various templates from the Web-based system.

"We have cut the time to produce the fact sheets from two to three people taking five to six days to 15 minutes by a single resource," Bhatia says. "The reduced time to market for our smaller international markets has improved our overall competitiveness and our ability to respond and to partner with customer banks. It also has saved money for our marketing budgets globally."

So far, the system has been rolled out in more than 20 languages to users in 35 countries. Eventually, it will reach users in 25 countries.

GLOBAL STANDARDS

"One of the big issues with any global project is who you're building it for," says Andrew C. Armishaw. "You must have some commonality, agreement — some ability to prioritize and agree on priorities."

Armishaw is group executive and CIO at Prospect Heights, Ill.-based HSBC Technology and Services, the IT arm of global financial services giant HSBC, which operates in 76 countries and has more than 10,000 offices.

In 2004, HSBC launched HSBCNet,

its global, Internet-based system for delivering banking services to its base of large corporate and commercial customers. "Many of these customers are global in nature and expect the same windows into our services wherever they are in the world," Armishaw says.

The common goals — and challenges — of the project included building common Internet front ends, providing the highest level of information security and interfacing to multiple legacy applications that all run on a tiered IT architecture with components running in multiple data centers. Like other global CIOs, Armishaw emphasizes the absolutely critical need for IT development process standards, especially in cases where different parts of a global IT project are completed by teams in various countries. Standardizing processes for supporting and making changes to global systems is also extremely important and should be done upfront, he says.

When we started, we assumed that we did it this way or that way across all of Franklin. We assumed too much.

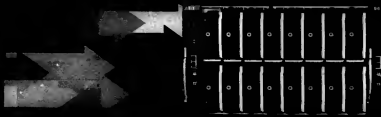
SANDEEP BHATIA, FRANKLIN TEMPLETON INVESTMENTS

"A lot of people get hooked on the development processes, but you have to think of how you're going to support this," Armishaw says. "You have to think about how you're going to distribute expertise around the globe, particularly when you have multiple processes running on multiple boxes in multiple data centers. You have to create common methods. It's not the stuff that excites most developers, but if you're going to build and integrate components from around the world, you really need to set some pretty aggressive standards of how things are done."

"That said, he acknowledges that rarely is there one and only one way that works for everyone, regardless of how many hours global IT teams might spend hammering out methods during prodded or late-night video- and teleconferences.

"Very little is 100% identical across the world," Armishaw says. "The real issue is getting to that 70% or 80% to generate efficiencies and common standards for service and quality."

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IT leaders are grappling with outsourcing contracts, business objectives and staff morale issues. Here's how they keep the inner workings running smoothly.

CP Kelco's Joyce L. Young says that when it comes to outsourcing contracts, "what I learned ... is not to know anything about men's agreements."



Under THE Hood

OUTSOURCING SAVY

A keen focus on contracts and relationships keeps domestic and offshore partners on their toes. By Jaikumar Vijayan

■ A lot of what Joyce L. Young has learned about managing outsourcing relationships has come from her experience fixing a seriously messed-up contract she inherited when she signed on as CIO of CP Kelco a year ago.

The Chicago-based producer of specialty chemicals for the food industry was formed in 2000 when the Copenhagen Pectin/Food Gums division of Hercules Inc. merged with the Kelco Biopolymers business of Monsanto Co.

their IT budgets for outsourcing next year, offer their advice for ensuring that an outsourcing relationship—whether domestic or offshore—meets business objectives.

KEEP A TIGHT GRIP. Jerry Bartlett, vice president of application development and quality assurance at Ameritrade Holding Corp. in Columbia, Md., cites one golden rule for outsourcing: Never abdicate responsibility.

Continuous project management and technical leadership are key to the success of any outsourced relationship, he says. At Ameritrade, outsourcing some commodity application development requirements to domestic and Canadian providers is part of an effort to let internal IT staffers focus on more important tasks.

To ensure that the work being done externally is consistent with Ameritrade's internal development efforts, Bartlett has assigned dedicated project managers to continually communicate with providers.

"The primary area where you've got to make a commitment is project management," Bartlett says. "You've got to have someone in place who has great communications skills, greater problem-resolution skills and creativity" to manage external suppliers. "That's an investment you've got to be willing to make," he adds.

PUT PARTNERS TO THE TEST. When Keystone Automotive Industries Inc., a supplier of auto collision replacement parts in Pomona, Calif., was looking for a vendor to handle a massive ERP rollout and data center consolidation project, the company gave bidders a "1,000-foot" overview of its requirements and left it to them to flesh out the implementation details. Jesus V. Arriga, vice president and CIO of the company, says that process helped Keystone quickly weed out the vendors that simply didn't have the data center savvy and industry-specific knowledge needed to handle the project.

"We were coming out of the dot-com boom, and we really wanted to take a

look at some of these outsourcing providers to see if they understood the concept of what I call corporate hosting," Arriga says. "It was very important for me to know the skill set of each of those [vendors]. They were going to become part of my technical team."

ESTABLISH A RELATIONSHIP. Ron Crain, technology director at Kansas City International Airport in Missouri, considers outsourcing to be an extension of his internal IT team—and he treats them that way.

The airport outsourced development and integration of its core airport flight information and operations management systems to a Manchester, England-based contractor three years ago. Crain says the relationship has worked well so far because of his insistence that the contractor have a team working beside the internal IT staff on-site at all times. The personal relationships and the ability to "look people in the eye" have been invaluable in fostering a climate of mutual respect and understanding of each other's goals, he says.

PARCEL OUT SMALLER JOBS. Hines Interests II, a privately held real estate management company in Houston, has been farming out application development projects to a Russian outsourcing firm for several years. But it has had little success with "large, complex, turnkey projects," says Gerhard W. Karba, vice president and CIO. Instead, he breaks up large projects into smaller modules, whenever possible.

"Usually, the specifications that people write here are not detailed enough, or they leave certain things to the imagination," Karba says. When dealing with outsourcing in another country, such ambiguity can be a killer, especially given the cultural differences, he says. "Anywhere you leave things to interpretation, there is a nearly 100% chance the outsourcing will pick the wrong one," Karba says.

CREATE COMMUNICATION CHANNELS. Finally, and perhaps most importantly, it's vital to keep internal IT staff in the loop when it comes to major outsourcing deals, IT leaders say. "People have a morale problem only if management doesn't communicate with them," Karba says. "If outsourcing is seen as a threat to their job, then it does become a morale issue."

"The key is to be very honest with your staff about how outsourcing fits into your strategy," and about the types of work that will be outsourced, Bartlett says. **■ 50972**

BUSINESS UNITY

It takes an open ear and a proactive approach to answer business problems with the right solutions.

By Patrick Thibodeau

■ Saying that IT has to be aligned with business is easy. Achieving that symmetry takes assertiveness, flexibility and, in some cases, the ability to live in a world turned upside down. That's exactly the world Jeffrey M. Marshall, senior vice president and CIO of The Men's Wearhouse Inc. in Fremont, Calif., occupies every day.

He says the retail chain, which has more than 700 stores, practices "servant leadership," which is literally the organizational pyramid upside down. For sure, there is a CIO and CFO and direct lines of responsibility. But management believes that it's the company's job to "promote, provide and protect" its 12,000 employees, Marshall says.

This attitude fosters porous interaction among employees and managers. Communication at all levels of the company is encouraged. And the open door policy isn't limited to senior managers—it goes all the way to the top. "Our culture is something we are very proud of," says Marshall.

This customer-centric environment ensures that employees have the tools needed for success, he says. For instance, when workers complained that the password management system was time-consuming and inefficient, the IT department acted. "We now have a system that has streamlined and automated the password change management process," says Marshall.

FERRY OUT THE PROBLEMS. Other IT leaders agree that customer focus is critical to achieving business alignment. Stephen C. Platt, CIO at Pittsburgh-based Mine Safety Appliances Co., a producer of equipment and systems for worker and plant protection, says the value of this approach was something he learned in a prior job at Andersen Consulting.

Platt says that at Mine Safety's senior management meetings, he asks, "Where

Following the merger, the company began using an outsourcing strategy because it had no IT department of its own. But the contract that CP Kelco had with its outsourcer was so unclear that it wasn't even apparent what the outsourcer was doing at each location and what the rights and responsibilities of each side were.

Since then, Young has renegotiated the five-year contract for the same price, but it now includes tough new language that spells out the outsourcer's tasks and responsibilities and new service-level agreements to ensure that they're being met.

"What I learned from the experience is not to leave anything to gentlemen's agreements," Young says. "In order to make these things work, there is a very granular level of detail you need to be able to go into, or a lot of fingerprinting happens."

Specific contract requirements are just one way to successfully manage and integrate an outsourced operation with your own, say Young and other IT leaders. This year's IT honorees, who are earmarking an average of 16% of

50972

reported an increased budget allocation to the business for outsourcing of services. The average increase was 22%.

reported an increase in the number of IT staff. The average increase was 10%.

reported an increase in the number of IT staff. The average increase was 10%.

does it hurt? How can we help?" IT project planning is kept flexible so new ideas can get a quick response. "If I slapped on a real rigid bureaucratic system, we wouldn't be seen as being customer-centric," he says.

And that lives. At one meeting, a vice president expressed frustration over late orders. The problem wasn't directly related to IT, but Plaud made it his problem. He asked his IT staff about building a mechanism into its SAP ERP system that could alert the company to the possibility of a late order. "Believe it or not, in a sophisticated ERP system, there really isn't a [warning] mechanism straight out of the box," Plaud says.

So the IT team found a way to tap into ERP data to detect orders in jeopardy of missing a delivery date. The 4-month-old system is already reducing late orders, he says.

"It took them some significant effort, but they nailed it," says Plaud. "We've got some really bright people on the team."

CREATE SEAMLESS KNOWLEDGE TRANSFER

"Alignment is doing what the business wants — it's doing what has value," says Howard A. Melnick, senior vice president of information resources application services at Marriott International Inc. in Washington. Marriott's IT team calls its business alignment "coventuring," having a common set of priorities among the business units. "And one of the most important things for technology people is that they understand the business — that they understand the business — that they understand the business," says Melnick.

At Marriott, there is no specific capital set aside for IT projects. In fact, all projects, including those in IT, compete based on business value, he says.

To achieve that level of business understanding, Marriott allows employees to transfer, for instance, from IT to finance, says Melnick. When a seamless transfer of people between organizations occurs, "that's when you really know that you have alignment," he says.

FOSTER CREATIVE IDEAS

Creating an atmosphere that encourages new ideas among IT staff members is also important, says Brian A. Young, CIO and vice president for IT at Creighton University in Omaha.

Young urges his staff to participate in leadership training and take a variety of courses at the university. Any course, such as art history, can add intellectual capital and help workers find new ways of solving problems, he says.

"It brings fresh perspective, different connections to things, so it really opens

more creative lines and allows things to really happen," says Young. And creativity underscores Young's IT approach. Among the projects under way is a GPS-based system in campus buses linked to digital displays inside buildings, so students don't have to wait outside in inclement weather for a ride. Washers and dryers will eventually be networked to let students know when it's time to empty them.

Young's goal is to earn national recognition for the university's IT innovation and add to the school's ability to attract students. And Young is on his way to achieving that. In a recent survey, Intel Corp. ranked the school among the top 50 nationwide for its use of wireless technology.

DON'T BE AN ORDER TAKER

Vincent J. Vachio's early career moves set him on a path toward learning the importance of business IT alignment. The director of e-business at Atlanta-based Norwell Rubbermaid Inc., Vachio followed his father into the field of IT — even taking a summer job, at age 14, in a data center at his father's employer, Electronic Data Systems Corp.

In college, Vachio pursued a business and marketing education. But once he re-entered the workforce, he returned to IT. Vachio says the combination of business education and IT job experience gives him an edge.

"If you're an IT leader and you're waiting for the phone to ring from the business, they'll only call you when they are in a jam," says Vachio. "And quite honestly, [then] you're an order taker — you're taking orders from the business." To be leaders, says Vachio, IT managers must be passionate and assertive. **■ 50994**

FIRED-UP STAFF

Collaboration, celebration and salary boosts ignite and sustain creativity in IT workers. By Thomas Hoffman

■ Guy J. Russo likes to mix things up. So at a recent company bowling party, the senior vice president of finance and information services at Lenexa, Kan.-based CommunityAmerica Credit

Union asked left-handed IT staffers to bowl with their right hand and right-handers to bowl with their left hand. And he did so for a reason.

Russo placed people from different parts of the IT department on the same teams because shared experiences outside the office can carry over into the workplace. And by forcing the 25 to 30 IT workers to bowl with their other hand, he says, "it helps teach people not to be afraid of trying new things."

Such counterintuitive tactics have helped Russo and other Premier 100 IT leaders keep their IT staffs engaged and motivated to perform at high levels. That's particularly useful in IT departments, where pay raises have been relatively small over the past few years and IT workers are more often the butt of criticism than the object of praise.

IT workers "need to be appreciated for what they do," says John R. Schille, CIO and senior vice president at American Fidelity Assurance Co. in Oklahoma City. To help foster that kind of recognition, Schille has encouraged end-user departments to celebrate project milestones with IT workers. They even set aside project funds to pay for victory parties. For example, when American Fidelity was named one of Computerworld's Best Places to Work in IT last year, the company rented a banquet hall and held a celebratory dinner for its IT staffers, says Schille.

GIVE THEM A VOICE

At the National Rural Electric Cooperative Association in Arlington, Va., engaging IT employees is more than just lip service. All 180 IT workers are encouraged to provide input on the company's IT budget process, says Tim M. Stangroom, vice president and CIO. IT staffers recently recommended that their department begin using Microsoft Corp.'s SharePoint Portal software to help foster collaboration among different project teams. "We ask them what they see out there in the industry," says Stangroom. "I view myself more as working for them and not them working for me."

COMPENSATE AND EMPOWER THEM

When William K. McQuinn became CIO at Truman Medical Centers Inc. in Kansas City, Mo., in January 2000, he immediately examined the salary structures of his IT staff. At that time, there was a 30% vacancy rate in IT positions, and the group was suffering from double-digit turnover.

McQuinn quickly brought salaries in line with regional market values, "and that certainly helped boost morale."

he says. There are now no job vacancies, and the turnover rate for the 103-person IT department is less than 5%.

McQuinn has taken other steps to motivate his staff. Two years ago, he turned over management of the group's monthly staff meeting to the IT workers themselves. Each of the divisions that reports up through McQuinn's "town" a meeting for a meeting and introduces new employees and drives the agenda. One meeting focused on the IT department of the future. Another group held a mock-up of a newscast, says McQuinn. "We've gotten pretty creative," he says.

HELP THEM GROW

At Johnson & Johnson Health Care Systems Inc. in Piscataway, N.J., Carol Suchit-Hudson encourages her six direct reports to take advantage of training opportunities and keep themselves marketable.

"At the end of the day, if you've done something to help someone achieve something, that's the benefit," says Suchit-Hudson. program manager for quality assurance and security. "People don't leave a company; they leave a manager."

GIVE THEM A FORUM

Effective leaders have a knack for creating an environment where people feel free to pitch ideas. At the National Rural Electric Cooperative Association, IT workers freely discuss new ideas at staff meetings, says Stangroom.

For example, one staffer suggested that the association install dedicated equipment in each meeting room to reduce the costs of setting up and breaking down videoconferencing equipment. Stangroom says his group plans to install the equipment during the first quarter.

Many IT leaders find that an informal approach works best to draw out great ideas from staff. At Johnson & Johnson Health Care, Suchit-Hudson makes a point of stopping by each of her direct reports' desks every day.

Despite their workloads, she says, "her staff is constantly thinking of new ways to improve IT and business operations." "No matter how busy they are, they'll say something like, 'I wish we could do this,'" she says.

For McQuinn, the idea-generating process starts even before an IT candidate gets hired. McQuinn meets with each serious job candidate for 30 to 60 minutes, and once they're hired, he encourages them to throw out ideas. "Every idea that's put forth will be considered," he says. "We may not act on it, but we will consider it." **■ 50967**



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At Risk: Wireless

It's a brand-new year, and IT leaders are planning their next moves, building on key technologies, past successes and strategic suppliers.

IT Playbook

CORE TECHNOLOGIES

Deemed critical by IT leaders, network security, storage and wireless will take center stage in 2005. By Joanie Wexler

Network-centric projects are bubbling to the top of Premier 100 IT Leaders' to-do lists for 2005.

Legislative mandates and e-business growth are among the factors causing data volumes to multiply, fueling storage-area networking (SAN) initiatives.

Meanwhile, wireless networks are ramping up quickly. In addition to enhancing worker mobility, wireless will team with the latest sensor, location-tracking and scanning technologies in 2005 to help organizations glean as-yet-untapped automation benefits. Underlying these projects is a redoubling of



efforts surrounding network security. Here's how IT leaders are juggling those priorities and leveraging three key technologies.

SECURITY:

LOCKING DOWN THE NETWORK

■ Because more devices now touch the public Internet, where infections and hackers lurk, IT departments are focused on enforcing "endpoint security." This is the discipline of forcing client-device compliance with corporate policy about software updates, versions and patches before allowing network access. A primary goal is to staunch the spread of viruses and denial-of-service attacks.

"Network threats are increasingly faster-moving and more malicious," says Lancelot Michael Braunstein, executive director at New York-based financial services firm Morgan Stanley. "The thinking is that the trend will only move more in this direction. This keeps people like me up at night."

Dave Passmore, research director at Burton Group in Midvale, Utah, concurs. "Networking is a double-edged sword," he says. "Networks are the big

enabler, but they also enable bad guys and malware. Access to the public Internet for employees, partners and customers is now a necessity, leaving enterprises feeling vulnerable."

Such paranoia is hardly misguided. Frank J. Trugus, CIO at Shell Oil Products US and Motiva Enterprises LLC in Houston, for example, estimates that one in every 25 to 30 e-mails that crosses his company's firewall contains a virus. "So we're embarking on a holistic approach to security," he says. The initiative includes endpoint compliance and host-based intrusion and spyware protection.

STORAGE:

LEGISLATION SPURS EFFICIENCY

■ Legislative mandates such as the Sarbanes-Oxley Act and the Health Insurance Portability and Accountability Act are having not only security but also storage implications. As part of their scope, the laws govern conduct over record retention, so companies need a structured yet flexible approach to storage (not to mention more of it).

"There's no question that the current regulatory environment requires you to save more data," says Julie St. John, executive vice president and CIO at Washington-based Fannie Mae, the nation's largest provider of funds for home mortgages.

She expects near-term maturation of storage virtualization, which is the ability to manage a SAN from a single console as though it were one storage device.

"Sarbanes-Oxley rules about how information has to be classified, how accessible it is and how long you must keep it mean the industry will soon demand this capability," she predicts.

Meanwhile, Fannie Mae—which St. John describes as an "unabashed data hog," with 420TB of data stored—has moved from a Fibre Channel-based SAN to a TCM/IP-based one. The move has given the organization the freedom to replicate among vendors' storage arrays and more-efficient disk utilization, St. John says.

Advances in storage efficiency remain high on Fannie Mae's priority list, as data volumes continue to swell. A key driver has been the company's mandate to become totally Web-enabled.

An initiative that St. John says pushed online transactions from \$450 billion in 1999 to \$2 trillion in 2003.

At Morgan Stanley, Common Internet File System storage appliances are being rolled out in the firm's branch offices. CIFS appliances are proxies that extend file service from a

SAN in the data center but behave like a local file server. The goal is to deliver better performance at lower costs in the branches, says Braunstein.

The proxy provides a local cache that writes to a centralized SAN infrastructure. To the user, the write takes place locally so latency is fairly low. "But the system is managed centrally, delivering significant economies of administration," he explains.

One particular challenge in the coming year for the brokerage firm will be giving meaning to reams of security log data, which are starting to consume megabytes of storage, Braunstein says. "We hope to create a smarter information system around that data using security information management tools," he says. SIM tools automate the collection of event log data and help administrators make sense of it to find actual network threats.

WIRELESS:

SPEEDING INVENTORY CONTROL

■ Security has been a notoriously prominent issue in wireless networking. Too still, the benefits of wireless are driving creative applications as the latest sensor, location-tracking and scanning technologies use wireless networks to open doors to automation.

At Tacoma, Wash.-based Auto Warehousing Co., North America's largest automobile processing company, CIO Dale N. Frantz is poised to port a highly successful 802.11b wireless LAN application he has used for inventorying and transferring vehicles to other sites.

Auto Warehousing imports 3 million to 4 million new Korean and Japanese cars each year. Frantz says. Its primary job is to add the customer-requested options to the cars and perform the final quality-control checks before shipping the vehicles to dealerships. The company processes 2,000 cars a day out of a daily inventory of about 20,000 to 25,000 vehicles, which are parked in vast storage lots.

"Just finding a particular vehicle was a fair challenge 18 months ago," Frantz says. At that time, car-locator personnel used a combination of dumb handheld scanners with no communications capabilities and a printed history of car locations to manually find cars by their vehicle identification numbers (VIN).

However, when a \$40 million processing facility was built in Tacoma, 802.11b WLANs were figured into the equation, says Frantz, including deployment in the parking lots. Now, intelligent Pocket PCs used by the car locators communicate directly with a VIN database wirelessly to find an

instant electronic match.

"Workers can quickly find vehicles and drive them right in," he says.

The inventory-scanning application led to a vehicle flow-point application, also based on scanning, to prevent drivers from parking cars in the wrong location and causing delays. The flow-point application, along with an 802.11b-based take-PC-based quality-control inspection application, replaced error-prone, paper-based processes.

Frantz estimates that misparked vehicles have dropped to less than 1% of the number of vehicles the site handles, down from about 8.5%, and the size of the car-locator staff has been reduced from 30 to four in Tacoma.

At BP PLC, low-cost wireless sensors have the potential to revolutionize many of the oil and gas company's business processes, says Philim P. Darukhanavala, vice president and chief technology officer. He says the company has about a dozen projects that combine advances in sensors, telemetry and wireless telecommunications.

Sensor technology in a device called a mote is opening doors to stronger and more cost-efficient equipment maintenance, Darukhanavala says. A mote is a self-contained device with a processor, memory, collection of sensors, battery and telecommunications operating system with mesh networking capabilities.

Because motes don't require cabling for power or communications, they are inexpensive and more easily mounted in challenging environments—such as on vibrating compressors, pumps and fans on BP's oil tankers and in its refineries and chemical plants. "As such, they could be used to take and communicate timely readings of measurements for improved equipment maintenance," says Darukhanavala. "We'd avoid both catastrophic failures and unnecessary maintenance."

And like other top suppliers to Wal-Mart Stores Inc., BP has been involved in a mandate to affix radio frequency identification tags with embedded electronic product codes to its crates and pallets. RFID enables the scanning of product data and transmission over wireless networks to improve supply chain management.

The RFID revolution is expected to largely get off the ground this year.

Wal-Mart has said it will need 1 billion RFID tags in 2005 to support its use of the technology. **50507**

Wexler is a freelance writer in California's Silicon Valley. Contact her at joanie@iwexler.com.

IT

THIS YEAR'S PREMIER 100 IT honorees have varied backgrounds and strengths, but they have much in common as well. One unifying theme: In the past year, they have led projects that are impressive in scope, technology and contribution to larger business goals. Here's an inside look at three significant IT projects and the IT leaders who brought them to fruition.

A DELIBERATE ENTERPRISE STORAGE PLAN

■ In 2000, with its business growing rapidly, MasterCard International Inc.'s storage capacity was reaching a critical point. By adding large numbers of servers and storage individually, the company was squandering resources — some applications had excess capacity, while others needed to be upgraded. At the time, most of MasterCard's storage was direct-attached and thus couldn't be shared across platforms. James E. Hull's group recognized the problem and took action, creating a strategic road map for enterprise storage.

The company decided to implement a large-scale storage-area network (SAN). EMC Corp. was selected for the backbone architecture, and MasterCard spent roughly 18 months migrating to the new standard. According to Hull, the benefits, even during this first stage, were "immediate and visible." The company cut time to market, eliminated inefficiencies, low-

ered storage costs and improved customer service.

Next, MasterCard sought to both implement better management tools and further integrate "SAN islands" into a larger SAN, Hull says. Again, the company opted for EMC, this time choosing its AutoS suite. MasterCard's IT group uses AutoS to determine the storage that's been allocated versus what is in use, so now storage is increased only where needed. The bottom line: more efficient purchasing of storage capacity and improved management.

During this hectic phase of the SAN project, Hull's seven-member storage team also implemented a core-and-edge switch design, simplifying the installation of both servers and storage. Hull says storage provisioning that used to take weeks is now done in minutes. (He says he's proud to have established that dedicated team, too. Hull believes that when storage tasks are segregated by operating system or line of business, inefficiencies are inevitable.)

To measure its progress, MasterCard recently hired Gartner Inc. to perform a study measuring the total cost of ownership and effectiveness of its SAN. Gartner found that the company's storage team manages nearly 50TB per full-time employee in the group —



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Great Works

Three projects completed in 2004 provided equal parts risk and reward for these IT leaders.
By Steve Ulfelder

that's 76% more than other, similar organizations. In addition, the study determined that in the metric of cost per available gigabyte, MasterCard beats the industry average by 16%.

Impressive as those laurels may be, Hull and company aren't resting on them. "OK, so now we're efficient," he says. "Time to move to the next challenge."

MasterCard is now tackling several advanced storage challenges. It's shifting a 70TB data warehouse from EMC's premium Symmetrix platform to the vendor's midrange Clarion offering. "That's going out our cost by a factor of six and will still meet our users' needs," Hull says. The company is also investigating information life-cycle management, which would essentially automate the migration of stored data from one medium to another.

Most intriguing, Hull says, is the growing trend toward content-addressable storage. Pressured by regulations such as the Sarbanes-Oxley Act and by high-profile court cases, U.S. businesses have taken to saving and storing virtually all digital information. That's handy when you need to produce a given e-mail message — but it's also expensive and inefficient. Content-addressable storage promises to help businesses save merely one copy of an e-mail sent to six people — not all six copies. "It will allow us to not overreact to every new regulation," Hull says.

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Richard E. Earle, CIO at Chrysler Group and Mercedes-Benz NAFTA, led an ambitious Web migration, placing all the applications on a portal dubbed DealerConnect. U.S. application migration to the portal was completed in 2003, and by press time, virtually all of the division's dealerships worldwide will be using DealerConnect. The benefits of the portal are indisputable: faster updates of vital information, centralized content management, less reliance on individual dealers' IT savvy, and real-time flow of data.

The DealerConnect applications are built to J2EE specifications. DaimlerChrysler's J2EE platform covers a large

enterprise network, including application components, security services, database connectivity, a naming service and messaging services in development, testing and production environments. IBM's WebSphere Application Server is the Web platform.

Early on, Earle's team made some interesting decisions about tackling such a vast project. The automaker would be migrating a huge number of applications to the Web for the first time. Rather than turning to a systems integrator, "we decided we wanted to own the development and maintenance" of the initiative, says project lead Bill Whedon.

According to Earle, there were two primary reasons for tackling the project in-house. First, staffers had deep knowledge of the company's business rules and the often complex relationships between automakers and their dealership networks. Second, "we wanted to retool our people" on the Web-based applications, Earle says, to both ensure employees' career paths and continued in-house maintenance and development of DealerConnect.

With 300 to 500 IT employees working on the project at any given time, Earle set up a project management team dubbed the Web Program Office. Led by Whedon, the team played two vital roles. First, it made sure that staffers were deployed where they were most needed — no small feat when you're attacking 240 applications simultaneously. Second, the Web Program Office served as a liaison in the tricky three-sided relationship among application development teams, overall IT management and business people. According to Gartner analyst Ray Valdez, such liaisons can mean the difference between a successful portal project and one that merely Web-enables a few applications.

DealerConnect was an immediate hit with DaimlerChrysler dealers. The portal, available in 10 languages, is employed by more than 300,000 users and serves 8 million page views per day. Earle says the project succeeded because his IT team did its spade work ahead of time.

"With a project like this, people tend to focus on the applications," he says. "But you need to take a hard look at the infrastructure, too. You need to develop a lot of metrics so there are no surprises." Other than pleasant ones for users, that is.

AN INTRICATE ELECTRONIC TRADING SYSTEM

■ In 2002 and 2003, a longstanding shortcoming threatened to pull business away from Nasdaq Stock Market Inc. Unlike its primary competitor, the New York Stock Exchange, Nasdaq is a decentralized electronic stock market with hundreds of broker-dealers creating individual markets. As such, it lacked a definitive way to set closing prices for listed stocks. Rather than providing a bona fide closing price that reflected true supply and demand of shares, Nasdaq simply listed the price of the last transaction of the trading day.

"That final trade may have been for 100 shares or 1 million shares," says Steven J. Randlich, executive vice president and CIO of operations and technology. These unusual trades, called outliers, presented a



STEVEN J. RANDLICH

misleading picture of a stock's performance to mutual funds and other institutions. "Nobody likes uncertainty," says Gartner analyst David Schehr. The shortcoming came to a head late in 2003, when Standard & Poor's and Dow Jones & Co. indicated that they would investigate alternatives to Nasdaq for use in pricing their indexes.

To combat the threat, in October 2003 Randlich and his IT organization launched a project called Closing Cross, an electronic transactions auction.

Closing Cross, which kicks in during the final 10 minutes of each trading day, broadcasts to all Nasdaq traders vital data on Buy and Sell interest.

"Everyone can see the amount of stock we expect to execute, the amount expected to be bought and sold, any imbalance, the expected price," and other information, Randlich says. Moreover, that data is continuously updated. At the moment the market closes, all of this data from the final 10 minutes is computed to set a closing price that's very accurate because it takes into account the high volumes.

Developed in-house, Closing Cross demands massive processing power; it runs on 11 i3-processor Hewlett-Packard Co. NonStop servers. Software was written in-house by Nasdaq developers. Price changes occur up to 200 times per second, Randlich says.

Closing Cross entered production in April, ahead of schedule. Opting for a gradual ramp-up, Nasdaq started with a limited number of stocks and added to the closing auction until June 25, when the full palette of 1,630 stocks was included. (Nasdaq lists about 3,200 stocks, but Randlich says only the 1,630 have sufficient liquidity to be part of Closing Cross.) June 25 also happened to be the Russell index's annual reconstitution day, the highest-volume market close of the year. "Closing Cross performed perfectly with all of Wall Street's eyes on it," Randlich says with pride. "In one instant, over 333 million shares were automatically executed in the auction, with the system processing greater than 16,000 trades per second."

It's been all systems go ever since. Closing Cross has had 100% uptime since its launch. According to Gartner's Schehr, the success of the initiative is a major reason why the Dow Jones, Standard & Poor's and Russell indexes continue to base their calculations on Nasdaq's closing prices.

Under heavy pressure, Randlich's IT team rapidly developed a complex system that solidified the exchange's competitive position and even spurred renewed commitment from vital partners. Now that's a Premier 100 performance. © 2002

Uffelder is a Computerworld contributing writer in Southboro, Mass. He can be reached at suffelder@charter.net.

ITPLAYBOOK

JOHN V. MULLS, PREMIER

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EXECUTIVE
VICE PRESIDENT



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Offlander is a computer-world contributing writer in Southham, Mass. He can be reached at sulfander@archnet.net.

RICHARD E. EARLE

VP, Information Technology
Chrysler Group
1995-2005

COMPANY
Nasdaq
1995-2005

EXECUTIVE
VICE PRESIDENT



By trimming fat from vendor contracts, these IT leaders free up cash to innovate.

By Stacy Collett

IT

THREE years ago, the news that Loretta

M. Tabbut had joined Calpine Corp. as its vice president of information services sent a collective chill down the spines of the energy company's IT vendors and suppliers.

Well known in Northern California vendor circles as a tough but fair contract negotiator who likes to shake things up and doesn't give second chances, Tabbut didn't disappoint in her new position. In her first year at the Folsom, Calif., company, she renegotiated nearly every IT vendor and supplier contract — saving Calpine millions.

"If you want a long-term relationship with us, sharpen your pencil and give me the best bid you can the first time," Tabbut advises. "It's not a game. I don't want to run you out of business, but I don't want to go through several iterations of bidding."

Tabbut's sentiments reflect those of many IT executives who are hard-pressed to save precious IT dollars any way they can. The competitive IT vendor market seems like an ideal place to wrangle money-saving deals. But savvy IT executives also know that building long-term relationships with healthy vendors spells success for both companies. "You don't want to squeeze the rock so hard that the vendor can't get your job done for you," Tabbut says.

Here are some of the Premier 100 IT Leaders' secrets for creating win-win



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Mastering the IT/Business Connection

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See and hear from Peter Senge



PETER SENGE

Senior Lecturer, Massachusetts Institute of Technology; Co-Author of *Presencing: Human Purpose and the Field of the Future* and author of *The Fifth Discipline: The Art and Practice of the Learning Organization*

Featured speakers include:



CHARLIE FELD

EVF, Portfolio Management, EDS and former CEO & founder, Delta Air Lines



PAUL HIGDAY

VP IT & Program Development, Quanta & Infosys, Inc.



THORNTON A. MAY

Corporate Futurist



JOHN C. MOON

Corporate VP and COO, Baxter International Inc.



RON J. PONDER

Executive VP of Information Services and COO, WellPoint Health Networks, Inc.



BETTE WALKER

VP and COO, Design Corp.



IRA WINKLER

Expert in Corporate and Computer Security
Author of *Spies Among Us: How to Stop the Spies, Terrorists, Hackers and Criminals You Don't Even Know You Encounter Every Day*

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Susan Unger
Senior VP & CIO
DaimlerChrysler



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Where IT Executives Exchange Innovative Ideas & Strategies

Crafted by Computerworld's editors, the sixth annual Premier 100 IT Leaders Conference is a unique and compelling departure from the standard technology conference. Rather than focusing on vendors and products, the spotlight is on great ideas, strategic use of best practices and real-world leadership from the IT and business executives who are advancing their organizations through technology.

Conference Chair:

JULIA KING
Executive Editor of Events
and National Correspondent,
Computerworld

Conference Theme: Mastering the IT/Business Connection

Topic areas include:

Creating a State-of-the-Art Technology Infrastructure and One-World IT Organization to Expand Global Business Value

Enterprise data management, on-demand computing, ever-expanding storage systems, open-source options, VoIP and wireless and mobile technologies lead the list of infrastructure issues facing CIOs as their businesses expand operations worldwide. On the management front, cultural barriers, language differences, and business processes that can vary widely from country to country compound the global challenge. Computerworld Editor-in-Chief Don Tennant leads a panel of CIOs discussing best technologies and best practices for going global. Panelists include Capgemini CIO John Parkinson, Jumper Networks CIO Kim Perdikou and Sandeep Bhatia, Director, Global Customer Technology at Franklin Templeton Investments.

Advancing Best Practices in IT Governance and Staffing, Vendor Management and Project Leadership

As organizations outsource more IT tasks and functions to service providers, forging supplier partnerships and managing vendor relationships have become key competencies for IT leaders. What difference does competent vendor management make in increasing overall business value? Learn how leading-edge organizations are making over IT procurement departments into powerful partnership management offices to leverage outside expertise, cut costs and ensure IT project success.

Extending Flexible and Secure Supplier and Customer Connections

Doing more with less and doing it faster and more reliably requires placing data and the ability to analyze it in the hands of both suppliers and customers. Learn how IT leaders are tapping into business intelligence tools, creating enterprise portals, and leveraging sophisticated supply chain and CRM software to streamline the processes and costs associated with giving suppliers and customers what they need and want.

Designing a Technology Roadmap to Ensure Ongoing IT/Business Alignment and Future Competitive Advantage

Across nearly all industries, new product and service offerings and breakthroughs depend on information technology. By exploiting software reuse, advanced security technologies, wireless networking, business intelligence and server and storage virtualization – to name just a few technologies – learn how IT leaders are laying the groundwork to deliver continuous business innovations while bolstering the bottom line.

For more information and to register, visit www.premier100.com/cwt or call 1-800-883-9090

CONFERENCE AGENDA (subject to change)

For details, updates, and to register visit www.premier100.com/cwt

Sunday, March 6, 2004

Noon - 5:00pm

Pre-Conference Golf Outing

Sponsored by



7:00pm - 9:00pm

Networking Reception

Sponsored by



Monday, March 7, 2004

7:00am - 8:00am

Breakfast

8:00am - 8:15am

Welcome and Opening Remarks

Julia King, Executive Editor, Events/National Correspondent, Computerworld



Patrick J. McGovern, Founder and Chairman, International Data Group;
Founding Publisher of Computerworld

8:15am - 9:00am

Opening Keynote: Dialogue on IT and Business Trends Affecting Global Enterprises



Charlie Feld, EVP, Portfolio Management, EDS; former CIO and e-Leader, Delta Air Lines
Charlie will address the issue of business resilience vs. business transformation and follow his presentation with an interactive dialogue on how these trends are impacting organizations worldwide.

9:00am - 9:45am

Discussion Panel: Beyond Business Alignment - Synchronizing IT and the Bottom Line



Panel Moderator: Patrick Thibodeau, Senior Reporter, Computerworld

Across nearly all industries, new product and service offerings and breakthroughs depend on information technology. By exploiting software reuse and integration, advanced security technologies, wireless networking, business intelligence and server and storage virtualization - to name just a few technologies - these IT leaders are laying the groundwork to deliver continuous business innovations while bolstering the bottom line. In the past year, each one of these panelists has either saved their company millions in operating costs and/or added millions to revenue and profit lines as a result of deploying new and/or enhanced information technology systems.

Panelists: Jim Krause, Managing Director and CIO, Chicago Mercantile Exchange
James (Lee) Hunter, VP, Information Technology Services, Southwire Co.
Dan Demeter, CIO, Senior Vice President, Kom/Ferry International
Jeffrey Marshall, SVP and CIO, The Men's Wearhouse
Kurt Woetzel, EVP and CIO, The Bank of New York

9:45am - 10:15am

IT's Role in Product Development and Service Offerings at Baxter Healthcare



John C. Moon, Corporate VP & CIO, Baxter International Inc.

Information Technology at Baxter Healthcare is not just an enabler. It's rapidly becoming a part of the products and services offered by the \$10 billion global leader in healthcare products. The convergence of medical technology and information technology offers many opportunities to improve the quality of care for both caregivers and patients. The current fragmentation in healthcare supply chains also offers opportunities for increased use of IT. These two areas require business alignment, stakeholder cooperation, and industry-wide participation, all of which will be highlighted in this presentation.

10:15am - 10:30am

Break

Continued

For more information and to register, visit www.premier100.com/cwt or call 1-800-883-9090



"I've met people here that I've known for a long time and others I've been eager to meet for years, all emerging in one place..."

William Farrow
Executive VP & CIO
Chicago Board of Trade



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Monday, March 7, 2004 (continued)

10:30am - 11:00am

Mid-America Outsourcing for Cost Savings and Innovation



Cheryl T. Smith, EVP and CIO, McKesson Corp.
Learn how McKesson Corp. has saved more than \$10 million annually, a percentage of which is reinvested in IT innovations, by moving its data center and 300 IT jobs from San Francisco to Iowa.

11:00am - 12:45pm

Concurrent IT User/Customer Case Studies Luncheon served in the Networking Lounge Networks and Beyond: IT as a Driving Force in Business Strategy



Ron Ponder, EVP and CIO, Wellpoint, Inc.
The IT executive has always been courted on to implement business strategy, but as our profession evolves, a new phenomenon has developed: IT is the key force driving business strategy. The network model of seeking the most efficient connections across the enterprise makes the possible. What future changes will networks drive in American business? In health care, momentum is building for a nationwide system of electronic health records. As IT systems in health care become more efficient and effective, they will inevitably drive companies to adopt them more widely to provide not only better care at a lower cost, but fewer errors, hospital stays and deaths. Strategy flows from and is shaped by the technology. With electronic health records as in every other vertical, IT executives will have trouble to clear on securing data and supporting systems. Whether partnering in the development of strategy or putting IT into practice, we have a leading and increasing role to play.

2:30pm - 3:00pm

Industry Visionary Address



Jay Gardner, VP and General Manager, OnDemand Business Unit, BMC Software

3:00pm - 3:45pm

Battleground Leadership



Richard Dooley, Leadership Expert & Founding Member of Society for Information Management; Hal Nelson, U.S. Army General (retired)

Each October a group of IT leaders walks the hills and hollows of the Gettysburg battlefield retracing Pickett's Charge, but they aren't studying history. They're studying business. Dick Dooley, a founding member of the Society for Information Management and creator of the Leadership Learning Forums, and Hal Nelson, a military historian and retired U.S. Army general, have combined two learning strategies to create their battlefield leadership seminar. Using photos and film clips to segment their presentation, they'll focus on the critical importance of improvisation alongside planning, the use and power of timing, the connection between how information is gathered and how decisions are made and the positive and negative influence of strong personal relationships.

3:45pm - 4:00pm

Break

4:00pm - 4:45pm

Secrets of Super Spies



Ira Winkler, Security Expert and Author of Corporate Espionage

Spies are untraceable geniuses who can steal any information they want. You are at their mercy. Then there are the spy wannabes, such as criminals, hackers, and even your employees. Spies are good not only at stealing your information, but at protecting their own. Ira Winkler uses actual acts of espionage, including those that he committed to demonstrate the most cost effective security programs for your organization.

4:45pm - 5:25pm

Panel Presentation: IT Mentor - Valuable Lessons Learned on the Front Lines of Business



Panel Moderator: Thornton May, Corporate futurist and Publisher of the "CIO Habitat Study" Corporate futurist Thornton May, publisher of the "CIO Habitat Study," moderates a panel of IT leaders offering their firsthand experiences, lessons learned and candid advice on issues including post-merger and acquisition IT integration and bringing IT back in-house after outsourcing.

Panelists: Jeremy Lehman, CIO, Thomson Financial
Rich Hoffman, Director, Information Technology, Hyundai Motor America/Hyundai Motor Finance Company

5:25pm - 5:30pm

Closing Remarks/Wrap-up Day One

5:30pm - 8:00pm

Dinner served in the Networking Lounge

Tuesday, March 8, 2005

7:00am - 8:00am

Breakfast served in the Networking Lounge

7:00am - 8:00am

Breakfast Session: The Third Opinion - How Successful Leaders Use Outside Insight to Create Superior Results



Sai-nicole A. Jori, President and CEO, Cambridge International Group Ltd., and author of *The Third Opinion: How Successful Leaders Use Outside Insight to Create Superior Results*

8:00am - 8:15am

Opening Remarks

Julia King, Executive Editor, Events/National Correspondent, Computerworld

8:15am - 9:00am

Special Visionary Address



Peter Senge, Senior Lecturer, Massachusetts Institute of Technology, Co-Author of *Presence: Human Purpose and the Field of the Future* and author of *The Fifth Discipline: The Art and Practice of the Learning Organization*

9:00am - 9:45am

Discussion Panel: One World IT



Panel Moderator: Don Tennant, Editor in Chief, Computerworld

Enterprise data management, on-demand computing, ever-expanding storage systems, open-source options, VoIP and wireless and mobile technologies lead the list of infrastructure issues facing CIOs as their businesses expand operations worldwide. On the management front, cultural barriers, language differences, and business processes that can vary widely from country to country compound the global challenge. Computerworld's Editor in Chief leads a panel of CIOs discussing best technologies and best practices for going global.

Panelists: John Parkinson, VP and Chief Technologist, Capgemini
Kim Perdikkou, CIO, Juniper Networks
Sandeep Bhatia, Director, Global Customer Technology, Franklin Templeton Investments
Sherry Aaholm, SVP, Express and Freight Solutions, FedEx Services

9:45am - 10:15am

Deploying Global Shared Services in Pursuit of Strategic Alignment



Bette Walker, VP and CIO, Delphi Corp.

Strategically aligning IT to enterprise objectives requires a team that is business savvy, agile and cost effective — attributes that can be facilitated by a shared services organization. This presentation explores Delphi's experience of undergoing a dramatic organizational shift to a shared-services model while simultaneously initiating a focused and disciplined strategic alignment initiative.

10:15am - 10:30am

Break

10:30am - 11:00am

The Passionate Pursuit of IT/Business Alignment



Paul Higday, VP, IT & Program Development, Owens & Minor, Inc.

It's not so much to ensure what the business wants, when the business wants it and how the business needs it. But the challenge doesn't stop there. The true pursuit of IT/business alignment also means ensuring that whatever IT builds today will work to support future business needs as well.

Continued



... Peer interaction is an invaluable takeaway from Computerworld's Premier 100 IT Leaders Conference. There's courage in knowing that other IT leaders are dealing with the same issues and you can find corollaries and context in your interactions here ...

Curtis Robb
CIO
Delta Air Lines



Tuesday, March 8, 2004 (continued)

11:00am - 12:45pm

12:45pm - 2:00pm

2:00pm - 2:45pm

Concurrent IT User/Customer Case Studies

Luncheon served in the Networking Lounge

Beyond The Buy: Leveraging Vendor Relationships For Outside Expertise and Expanded Business Value



Moderator, Bart Perkins, Computerworld Columnist and Managing Partner Leverage Partners, Inc.

As organizations outsource more IT tasks and functions to service providers, forging supplier partnerships and managing vendor relationships have become key competencies for IT leaders. What difference does competent vendor management make in increasing overall business value? Learn how leading edge organizations are making own IT procurement decisions into powerful partnership management offices to leverage outside expertise, cut costs and ensure IT project success.

Panelists: Lauren Tabbutt, VP, Information Services, Capgem Corp.

Rob Minicozzi, VP of Applications Development, Arrow Electronics, Inc.
Brian LeClair, VP and Chief Technology Officer, Humana, Inc.

2:45pm - 3:30pm

Discussion Panel: The CIO/CFO Connection

Panel Moderator: Thornton May, Corporate Futurist and Publisher of the "CIO Habitat Study"

Three CIO/CFO panelists examine regulatory, financial and IT investment and innovation issues in a moderated panel discussion that highlights how their approaches differ, what each wants from the other and how they reconcile their needs.

Panelists: Lynne Elynn, CIO, DTE Energy
David Meador, CFO, DTE Energy

3:30pm - 3:45pm

Break

3:45pm - 4:15pm

Evolution Through Abstraction: On the Way to Utility Computing



André Mendes, Chief Technology Officer, Public Broadcasting Service

Between our recent past of closed proprietary systems and myriad point solutions and our fast-approaching future of standards-based networking, computing and storage lies a strange world of hybrid processes and workflows, premature business models and security concerns. André will describe the layered approach that PBS has used to prepare itself for the brave new world of utility computing.

4:15pm - 4:45pm

Hossein Eslambolchi, CIO, AT&T Labs



Hossein Eslambolchi, CTO and CIO, President GNTS, AT&T

Hossein Eslambolchi has three critical jobs at AT&T. He is responsible for conceiving the company's technology strategy and vision, aligning business processes with AT&T's technology, and leading all new networking initiatives. The holder of almost 200 patents, Hossein combines technological foresight with in-depth business analysis. He is consistently listed as one of the industry's most influential leaders, and has been a major force in transforming AT&T from a 125-year-old telecom company to one of the world's premier networking specialists.

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4:45pm - 5:15pm

Star Search: The Quest for the Best Executive IT Talent



Moderator: Damien Bean, Founder, CareerCurrency LLC, former CIO, Hilton Hotels
A panel of leading corporate IT executive recruiters discuss the specific hard skills and personal attributes companies are looking for in a CIO today. Other topics include hiring trends, negotiating a new CIO can gain credibility quickly and the impact of outsourcing on the CIO's role. Bring your list of questions for these hiring experts.

Panelists: Beverly Lieberman, President, Halbrecht Lieberman Associates
Tom Berray, Partner, Cabot Consultants, Inc.
Steve Kendrick, Principal, Kendrick Executive Resources, Inc.

5:15pm

Conference Concludes

7:00pm - 7:30pm

Cocktail Reception

7:30pm - 9:30pm

Gala Evening

- "Best in Class" Awards
- Dinner with Honoree Recognition
- Entertainment

"Best in Class" Awards Program Sponsored by 

9:30pm - 11:00pm

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For details, contact Chris Leger at 1-508-820-8277



JW Marriott Desert Ridge Resort
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Hotel Reservations and Travel Services

To reserve your accommodations, visit
www.elcentral.com

If you have questions about accommodations, contact Global Odysseys at
1-888-254-1587

Conference Registration Rates

All dollar amounts are in U.S. funds. Registrations include full access to all sessions, the Expo and Networking Lounge, meals and receptions. Transportation and hotel accommodations are your responsibility. Computerworld reserves the right to limit and/or refuse any registration for any reason.

Earlybird Registration
(through January 21, 2005)

Full/On-Site Registration
(after January 21, 2005)

IT End-User*

\$1,495

\$1,795

* IT End-Users are defined as those who are attending Computerworld's Premier 100 IT Leaders Conference with an intent to sell IT spending budget to potentially buy/lease hardware/software/services, etc. from our conference sponsors and are not themselves an IT vendor. As such, account representatives, business development personnel, analysts, consultants and anyone else attending who does not have IT purchasing influence within their organization are excluded from the "IT End-User" designation. Interpretation and enforcement of this policy are at the sole discretion of Computerworld. Questions? Please call 1-800-883-9090.

NOTE: If you are not an IT End-User, you may register as a Non-Sponsoring Vendor.

\$5,000

\$5,000

* Vendors participate in Computerworld's Premier 100 IT Leaders Conference through sponsorship. While 2005 sponsorships are "sold out" as of 12/16/04, decisions for 2006 planning may begin by calling Les Leger at 1-508-820-8212. Eligible vendors (as well as other "non-IT end-user" professionals as defined by Computerworld) may apply for registration at the "non-sponsoring vendor" rate. Determination of what constitutes a "non-sponsoring vendor" registration is at the sole discretion of Computerworld.

For more information and to register, visit www.premier100.com/cwt or call 1-800-883-9090

IT End-User* Conference Registration Application



March 6-8, 2005
JW Marriott Desert
Ridge Resort
Scottsdale, Arizona

Fill this completed application to 1-800-822-8254. Or apply online at: www.premier100.com/cwt

Your business card is
REQUIRED
to process your application

Questions? Call 1-800-822-8254

If not indicated on your business card, please provide the following required information:

Company Name Address

Company Phone Fax

Registration questions?
Call 1-800-822-8254
or email p100reg@computerworld.com

Need accommodations?
Reserve them at www.atatravel.com
or call 1-888-254-1597

☐ Special services required? (Please attach a written description)
Would you like to receive information about the golf outing on Sunday, March 6th? ☐ Yes ☐ No
Would you like to receive a complimentary subscription to Computerworld? ☐ Yes ☐ No
Will you need accommodations at the Premier 100 IT Leaders Conference? ☐ Yes ☐ No

All enter amounts are in US funds, registrations include full access to all sessions, the Expo and Networking Lounge, meals and receptions. Transportation and hotel accommodations are your responsibility. Computerworld reserves the right to limit and/or refuse any registration for any reason.

Earlybird Registration (through January 31, 2005) **\$1,496** Full-On-Site Registration (after January 31, 2005) **\$1,796**

☐ I am an IT End-User.*

IT End-Users are defined as those who are attending Computerworld's Premier 100 IT Leaders Conference with an intent (and an IT spending budget) to potentially buy/lease hardware/software services, etc. from our conference sponsors and are not themselves an IT vendor. As such, account representatives, business development personnel, analysts, consultants and anyone else attending who does not have IT purchasing influence or authority are excluded from the IT End-User registration. Interpretation and enforcement of this policy are at the sole discretion of Computerworld. Questions? Please call 1-800-822-8254.

NOTE: If you are not an IT End-User, you may register as a Non-Sponsoring Vendor.

☐ I am a Non-Sponsoring Vendor.**

☐ \$5,000 ☐ \$5,000

**Vendors are encouraged to participate in Computerworld's Premier 100 IT Leaders Conference through sponsorship. While 2005 sponsorships are "sold out" as of 10/18/04, discounts for 2006 planning may begin by calling Leo Lager at 1-800-822-8254. Alternatively, vendors can sell off their "non-IT end-user" preferences as defined by Computerworld. May apply for registration at the "non-sponsoring vendor" rate. Determination of what constitutes a "non-sponsoring vendor" registration is at the sole discretion of Computerworld.

Attendee Profile: (this section must be completed in order to process your application)

Your business/industry:

- ☐ Agriculture
- ☐ Air-Transport & Private Industries
- ☐ Architecture/Engineering
- ☐ Financial Services/Accounting
- ☐ Insurance/Real Estate/Legal Services
- ☐ Government/Healthcare/Consulting/Medical
- ☐ Government, State or Local
- ☐ Health/Medical/Dental Services
- ☐ Health/Medical/Dental Services
- ☐ Information Technology/Software/Computer Services
- ☐ Transportation/Utilities
- ☐ Communications/Computer/Software/Computer Services
- ☐ Construction/Architecture/Engineering
- ☐ Data Processing Services
- ☐ Education
- ☐ Food/Beverage/Pharmaceuticals
- ☐ Manufacturing/Chemicals
- ☐ Distribution/Wholesale/Retail
- ☐ Publishing/Advertising/Marketing
- ☐ Public Relations/Marketing
- ☐ Research/Development/Lab
- ☐ Business Services/Consulting/Non-Computer Related
- ☐ Military/Communications/Computer/Software
- ☐ Military/Communications/Computer/Software

Your job title/function:

- ☐ MANAGERIAL
- ☐ CIO/CFO/CDO
- ☐ Executive VP or VP
- ☐ Vice President
- ☐ Director
- ☐ Manager/Division Manager
- ☐ Supervisor
- ☐ Business Manager/VP
- ☐ CDO, CDO, Chairman/President
- ☐ CFO, Controller, Treasurer
- ☐ Executive VP or VP of General Manager
- ☐ Director/Manager
- ☐ Other Corporate/Business Manager

Number of employees in your entire organization (ALL locations):

- ☐ 25,000 or more
- ☐ 10,000 - 25,000
- ☐ 5,000 - 10,000
- ☐ 1,000 - 5,000
- ☐ 500 - 1,000
- ☐ 100 - 500
- ☐ Less than 100

What is your organization's annual IT/IS budget for all IT/IS products?:

- ☐ \$1 million or more
- ☐ \$500,000 to \$1 million
- ☐ \$100,000 to \$500,000
- ☐ \$10,000 to \$100,000
- ☐ \$1,000 to \$10,000
- ☐ Less than \$1,000

What is the estimated annual revenue of your entire organization?:

- ☐ \$10 Billion or more
- ☐ \$5 Billion - \$10 Billion
- ☐ \$1 Billion - \$5 Billion
- ☐ \$500 Million - \$1 Billion
- ☐ \$100 Million - \$500 Million
- ☐ Less than \$100 Million

The one item that best describes your involvement in the IT purchase process:

- ☐ Active participant in purchase process
- ☐ Active participant in purchase process
- ☐ Active participant in purchase process
- ☐ Active participant in purchase process
- ☐ Active participant in purchase process
- ☐ Active participant in purchase process
- ☐ Active participant in purchase process

What is your organization's MOST mission critical development/implementation project this year?

- ☐ Business Intelligence
- ☐ Data Management
- ☐ Network Infrastructure/Storage
- ☐ Security
- ☐ Application Development and Integration (Web services/SOA)
- ☐ Compliance

What is your organization's SECOND-MOST mission critical development/implementation project this year?

- ☐ Business Intelligence
- ☐ Data Management
- ☐ Network Infrastructure/Storage
- ☐ Security
- ☐ Application Development and Integration (Web services/SOA)
- ☐ Compliance

Payment Method

☐ Check (Checks must be received by February 16, 2005 payable to Computerworld)

☐ American Express ☐ VISA ☐ MasterCard

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- 1) He or she may substitute another attendee for this conference
- 2) He or she may transfer this registration to Computerworld's 2006 Premier 100 IT Leaders conference
- 3) The registration fee will be refunded, less a \$250 service charge, if written notice is received by February 16, 2005.

Please send cancellation requests via email to p100reg@computerworld.com

Computerworld reserves the right to limit and/or refuse registration for any reason.

relationships with suppliers and vendors while holding down costs.

COMBINE AND CONQUER

Many large organizations uncover savings by consolidating contracts from various business units or geographic locations into a single agreement.

■ When Compag Computer Corp. merged with Hewlett-Packard Co. in May 2002, HP CIO Gilles Bouchard faced a massive consolidation of suppliers and services.

"Before the merger . . . the same suppliers were providing the same services to both companies at a different price," recalls Bouchard, who is also HP's executive vice president of global operations. "When [vendors] knew we were going to merge, the prices started to converge."

After the merger, Bouchard wanted more. He pressed for better pricing and conditions based on the increased volume. What Bouchard learned from comparing the practices of vendors who served both companies proved invaluable.

"When you get a chance to compare all suppliers, one learns much more than what the prices are. You can learn and understand what the strategy is behind that pricing," he says. "We [gained] a lot of insight into the market and suppliers based on the transparency we got."

With that knowledge, Bouchard was better able to pick suppliers that could best take inefficiencies out of the end-to-end system and cut costs.

Today, with nearly \$700 million in IT savings annually, HP devotes 35% of its multibillion-dollar IT budget to innovation — with a goal of upping that to 50%.

At Calpine, Tabbutt found that many of the company's 100 locations had negotiated their own local telecommunications contracts. Over a two-year period, she rolled those deals into a few national and regional agreements, cutting telecommunications costs by about 60%. "We went from \$16 million [in telecom costs] to \$6 million today," she says.

For some, the first step in IT consolidation is knowing what you have, says David M. Wennegen, CIO for the Department of the Navy, whose office serves the information management and technology needs of both the U.S. Navy and Marine Corps.

First, the department switched to an enterprise network, the Navy/Marine Corps Intranet. When all applications were running on one network, Wennegen discovered that the two military branches had "a couple hundred thousand" Oracle users on its network under hundreds of contract agreements. So he negotiated a single contract for Oracle-based products for all of the department's 300,000 network users.

"We would get access to all Oracle-based products with one agreement to manage, and Oracle's administrative burdens are reduced. Those kinds of win-wins are good for us," Wennegen says.

FIND A CULTURAL FIT

When it comes to choosing a services vendor, some Premier 100 IT Leaders say cultural compatibility beats a low bid.

■ When Calpine went shopping for a service provider for its desktop and e-mail services, Tabbutt included both large and midsize vendors in the hunt.

"In the bid process, we looked for a vendor that had the same kind of culture we did, which was entrepreneurial, with the ability to move quickly and not get stuck by a contract that was like trying to turn the Titanic," Tabbutt says. "We wanted to turn on a dime and move quickly, and we needed to negotiate changes to the contract depending on what's going on in our business."

Tabbutt also says she didn't want to go with a provider that was so big that Calpine would end up dealing with the vendor's "C players."

"During the selection process, one of our questions was, 'Where do we fit in the scheme of things if you rank your customers related to size?' We wanted to be in the top few customers on the list," she says. "If you want to get any attention, you've got to be one of the top customers."

Calpine ultimately chose a midsize company, Science Applications International Corp.

Some customers stay atop a vendor's A list by making themselves valuable in other ways.

Michael J. Taylor, CIO at Todd Pacific Shipyards Corp. in Seattle, serves in an advisory capacity for his vendors.

"We've developed some Crystal reports that feed off of our ERP systems and have sold those back to the vendor for in excess of \$60,000," he explains. "They know the quality of work we do, we're a good reference for them, and we're pushing them to do things that interest us."

"On larger vendors, you have to know the president of the company and the senior VP in charge of your area," he adds. "You need to be well known to them as a valued customer. You're going to get something out of it that other people aren't."

BUILD BRIDGES

When IT comes deliver the bad news to losing vendors, they don't close the door for good.

■ "I keep a good relationship with the vendor that lost," Taylor says. "We always keep that second vendor out there. We have 30-day cancellation clauses. If my new vendor flops for some reason, I want to go back to our old vendor and get him started without any mis in service for our users."

At financial services firm Edward Jones in Maryland Heights, Mo., general principal and CIO Rich L. Malone takes time to explain to vendors why they didn't get the business. "We think

that's the fair and right thing to do," he says. "Somewhere down the road, there may be a fit for us."

With long-term relationships in mind, many IT executives look for ways to reward vendors.

Once a year, Edward Jones recognizes all of its vendors and suppliers at its annual "vendor night at the ballpark." On a July evening, the firm reserves a swath of right-field seats at Busch Stadium in St. Louis to entertain 50 to 75 suppliers from around the country.

"We do this to [tell] the vendor that we appreciate their contribution," Malone says. Later, "when we all sit down to do the tough stuff like negotiations, I think there's common ground where we're both trying to recognize each other's situations."

While Malone can't quantify the benefits of the event in dollars, he does know that the vendors talk about the event all year long and vie for invitations to the next one.

"We act as true partners with them," Malone says. "Over time, these companies open up and share actual cost with us, their supply chain cost, profit margins, profit they're after. We do our best to negotiate that away because we want them to be healthy." ■ SH54

Collett is a freelance writer in Chicago. Contact her at stollett@jao.com.

TO

ers

relationships with suppliers and vendors while holding down costs.

COMBINE AND CONQUER

Many large organizations uncover savings by consolidating contracts from various business units or geographic locations into a single agreement.

■ When Compaq Computer Corp. merged with Hewlett-Packard Co. in May 2002, HP CIO Gilles Bouchard faced a massive consolidation of suppliers and services.

"Before the merger... the same suppliers were providing the same services to both companies at a different price," recalls Bouchard, who is also HP's executive vice president of global operations. "When [vendors] knew we were going to merge, the prices started to converge."

After the merger, Bouchard wanted more. He pressed for better pricing and conditions based on the increased volume. What Bouchard learned from comparing the practices of vendors who served both companies proved invaluable.

"When you get a chance to compare all suppliers, one learns much more than what the prices are. You can learn and understand what the strategy is behind that pricing," he says. "We [gained] a lot of insight into the market and suppliers based on the transparency we got."

With that knowledge, Bouchard was better able to pick suppliers that could best take inefficiencies out of the end-to-end system and cut costs.

Today, with nearly \$700 million in IT savings annually, HP devotes 35% of its multibillion-dollar IT budget to innovation — with a goal of upping that to 50%.

At Calpine, Tabbutt found that many of the company's 100 locations had negotiated their own local telecommunications contracts. Over a two-year period, she rolled those deals into a few national and regional agreements, cutting telecommunications costs by about 65%.

"We went from \$6 million [in telecom costs] to \$6 million today," she says.

For some, the first step in IT consolidation is knowing what you have, says David M. Wennergren, CIO for the Department of the Navy, whose office serves the information management and technology needs of both the U.S. Navy and Marine Corps.

First, the department switched to an enterprise network. The Navy Marine Corps Intranet. When all applications were running on one network, Wennergren discovered that the two military branches had "a couple hundred thousand" Oracle users on its network under hundreds of contract agreements. So he negotiated a single contract for Oracle-based products for all of the department's 300,000 network users.

"We would get access to all Oracle-based products with one agreement to manage, and Oracle's administrative burdens are reduced. Those kinds of win-wins are good for us," Wennergren says.

FIND A CULTURAL FIT

When it comes to choosing a services vendor, some Premier 100 IT Leaders say cultural compatibility beats a low bid.

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DRIVEN TO PERFORM

Both Hewlett-Packard and the Department of the Navy have performed based on metrics for large implementation and maintenance projects because they offer the ability to achieve optimum results.

During the Navy Marine Corps Intranet implementation, the Department of the Navy's CIO, David M. Wennergren, gave prime contractor Electronic Data Systems Corp. the flexibility to choose hardware and software providers and management strategies while he focused on metrics to measuring end results.

The Navy pays a fixed price per seat for each user and then adds incentive provisions for the contract for EOS and its subcontractors for exceeding the department's expectations, according to Wennergren. There are no other

for everything from the ability to withstand hacker attacks to fast refresh rates, latency and customer satisfaction as measured by the end user. "It has proven to be a really valuable way to proceed with a contract on this kind of scale rather than overly specifying how to do it," says Wennergren.

"It is not about the price or getting today," says HP's CIO Gilles Bouchard. "It's a more strategic engagement that evaluates the debate to the price today, the price tomorrow, the technology, reliability, delivery, quality of financials, and some of the social and environmental issues at the company. There's a whole host of performance materials that need to be established in the contract."

By G. L. H.

Middleware is Everywhere.

Can you see it?

Middleware

Key

1. Statistics from Asia retrieved quickly.
2. Paris client's portfolio accessed securely.
3. Critical information archived automatically.
4. Data kept within compliance guidelines.
5. Optimized storage supports heavy volume.

MIDDLEWARE IS IBM SOFTWARE. The IBM TotalStorage® Open Software Family. It automatically helps manage and optimize highly complex storage environments. By centralizing information. By fully utilizing resources. By simplifying data compliance. Help slash long-term storage costs. On demand. Comprehensive, reliable storage management solutions from IBM.

Middlewares for the customer world. Learn more at ibm.com/middleware/resource **ON DEMAND BUSINESS**



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IBM

1



TURNING TRADITIONAL IT PRACTICES UPSIDE DOWN

BY HEATHER HAVENSTEIN

Raymond Gogel has an unusual educational background for a corporate CIO — a Ph.D. in philosophy with a focus in human values and paradigm shifts. But he has used that training to successfully eschew some traditional IT practices in favor of more innovative methods.

That approach is paying off big at Xcel Energy, a Minneapolis-based energy company, where Gogel, 54, leads the IT department.

Take, for example, the economic value-add metrics that Gogel designed as part of a new program management office. The metrics revamped Xcel's budgeting process by moving all IT capital funding from business unit budgets to IT. The process requires corporate units to compete for IT dollars by citing concrete business value. "IT costs are driven only in part by infrastructure; other costs come from applications that sit in the units,"

Gogel says. "How do you really focus on an enterprise ROI... so IT is only accepting projects that drive significant enterprise business value? When you spend capital, that is your opportunity to transform a business. There has to be significant enterprise architecture around that, or you are just setting up each business as an autonomous business but not maximizing enterprise value."

As a result, the project has contributed year-to-date savings of 17%, and the company plans to apply the approach to other key areas, such as Sarbanes-Oxley Act

compliance and discrete demand for IT assets such as phones, handhelds and desktop computers.

Gogel has also turned conventional outsourcing wisdom — squeezing suppliers for the cheapest services — on its head, opting instead to form a strategic advisory board made up of suppliers and partners chartered to not only provide advice on technology best practices, but also to find new ways to transform the business.

Seven board members have jointly invested \$10 million to work with Xcel to attack problems such as utility distribution and changing how IT enables outage management. The partners benefit from the intellectual property in the technologies they design.

"Everything we have done here for the past two and a half years... has really been focusing on how do you drive partnering that focuses on mutual value exchange," Gogel says.

David Marley, managing director at IBM, which is on the Xcel board, says he knows of no other company that has an advisory board structured like Xcel's. "Ray is a strategist, not just a CIO," Marley says. "That is his strength. Anybody can be an administrator on a contract.

How many people have a strategic advisory board made up of partners and venture capitalists willing to invest... to work at Xcel? It is a much more fruitful approach than calling all your vendors and asking to reduce costs by 5%." **Q 50953**

Leader Profiles

These 10 IT leaders represent what sets many of the 2005 honorees apart. Their technical aptitude helps them get the job done, but their people skills help them lead.

COOL AND CALM THROUGH TIMES OF UNCERTAINTY

BY CAROL SLIVA

Two years ago, Hewitt Associates LLC decided to implement grid technology to handle the CPU-hogging pension calculations that it wanted to make available online in near real time to its clients.

Pension calculations had been sucking up about 20% of the company's mainframe processing cycles, and the Lincolnshire, Ill.-based provider of outsourced human resources services needed a more efficient and economical option. Hewitt figured it had found that in a pooled set of blade servers from IBM and a software application from DataSynapse Inc. that could direct the work to the hardware with available CPUs.

But implementing the nascent technology loomed as a challenge, and doubts began surfacing at the first signs of trouble. Some project team members suggested that it might be better to pour more money into tried-and-true mainframes and plug the plug on grid.

Scott Woldridge wasn't among them. The director of IT operations was overseeing the grid project, and he had carefully analyzed the technology and the risks associated with it. The problems didn't appear insurmountable to him. He assured

the team it would have the time, money and resources needed to get the job done.

"Scott does not panic," says Daniel Kaberon, lead technologist on the grid project and one of Woldridge's direct reports. "He's a person who can handle the truth. When things get complicated or go bad, I don't have to filter the implications, because he will do an excellent job of responding."

Hewitt CIO Perry Cliburn says problems rarely escalate to his level because Woldridge quickly takes control and resolves them. "He is cool and calm under pressure," Cliburn says. "He's a steadying force."

Woldridge, 47, says the grid project hinged in part on the degree of comfort that the team had with taking risks, so he knew he needed to let them know that management would shoulder the burden.

"If they knew that I was comfortable taking the risk and I was going to be held accountable, then they were fine

with going forward," he says.

The grid project was so successful, saving Hewitt an estimated \$1 million in hardware costs, that the company tapped the technology for another major initiative.

Last year, Hewitt was planning an update to its benefits delivery application, but it required a new report-composition tool. Hewitt wouldn't be able to deploy the new benefits application unless it could cut the time the tool needed to produce the reports, so it turned to grid. Generating some of the largest personalized reports in batch mode dropped from 200 hours to 14 hours, according to Kaberon.

"Again, this was a problem that if you could apply parallel processing to it, you could dramatically reduce the run times," Woldridge says.

He's quick to note that the grid decisions were a collective call among team members from both the business and IT sides. Woldridge praises the work of leaders on both sides, plus that of Kaberon and Tim Hülgenberg, chief technology strategist for applications.

Woldridge "is one of the bluntest guys I know," says Cliburn. "If we could clone him, I'd take as many as I could get." ■ 51225



PREMIER 100 CLASS OF 2005

AME
MEM
AME
WORLD
AME
WORLD

Average size of IT staff.

Average size of IT staff for which much is measurable.

Reduced their staff size in the last year (on average, by 10%).

Increased their staff size in the last year (on average, by 10%).

Our readings.

CEO or owner

WORLD to 2000, 2001

WORLD to 2000, 2001

WORLD to 2000, 2001

WORLD to 2000, 2001

WORLD to 2000, 2001

WORLD to 2000, 2001

WORLD to 2000, 2001

The spending plan for the next 12 months.

Increased their IT budget

(on average, by 10%).

Decreased their IT budget

(on average, by 10%).

Our readings.

Average portion of their IT budget allocated for outsourcing or contract labor.

Expected an increase in budget allocated for outsourcing or contract labor in the next year (on average, by 10%).

Expected a decrease in budget allocated for outsourcing or contract labor in the next year (on average, by 10%).

Expected no change in budget allocated for outsourcing or contract labor.

COMPUTERWORLD

100
PREMIER

IT LEADERS 2005

THIS YEAR'S
HONOREES

SHERRY A. AAMOL, senior vice president of enterprise and freight solutions, FedEx Services, Memphis

YURI B. AGAR, senior partner and chief technology officer, Ophry & Mather Worldwide, New York

JOSEPH C. ANTONELLI, CEO and executive vice president, State Street Corp., Boston

ANDREW C. ARMSBARK, group executive and CIO, HSBC Technology and Services, Prospect Heights, Ill.

JESUS V. ARRIBA, vice president and CIO, Keystone Automotive Industries Inc., Pomona, Calif.

DAVID A. BARNES, vice president, UPS Information Services, United Parcel Service Inc., Atlanta

JERRY BARTLETT, vice president of application development and quality assurance, Ameritrade Holding Corp., Columbia, Md.

SANDEEP BHATIA, director of global customer technology, Franklin Templeton Investments, Dublin, Calif.

CONTINUED ON PAGE 30



Energy CIO Raymond Gogel designed metrics that moved IT capital funding from business unit budgets to IT. "Where you spend capital, that is your opportunity to transform a business," he says.

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Raymond Gogel

**WHOM DO YOU ALL
MORE IN THE IT
INDUSTRY? Steve
Palmerino because of
the way he strives to
develop technology
and focus on the business
relevance of IT.**

Leader Profiles

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Scott Woldridge



WHAT'S YOUR FAVORITE INVESTMENT? The printing press. It enabled information sharing and the exchange of ideas.

WORLD'S YOUR DREAM JOB? Working at a company that recognizes and makes a difference for people.

LEADER'S CHRONICLE

WHO THEY ARE PREMIER 100 CLASS OF 2005

80 ARE MEN	20 ARE WOMEN	48 AVERAGE AGE
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Where they're from: 34 of the honorees had been Californians, making it the most represented state on the list. Influenced by New York (10), Illinois (9), and Georgia and Minnesota (each 6).

1401 008 14% 50% 36%	REPRESENTATIVE FACTS
	Average size of IT staff.
	Average size of IT staff for each sector responsible.
	Reduced their staff size in the past year (on average, by 17%).
	Increased their staff size in the past year (on average, by 17%).
	Saw no change.

7% 10% 10% 11% 32% 15% 2%	THEIR ORGANIZATIONS' TOTAL BUDGETS FOR THE NEXT 12 MONTHS
	\$10 or more
	\$250M to \$399.9M
	\$250M to \$499.9M
	\$250M to \$249.9M
	\$50M to \$99.9M
	\$10M to \$49.9M
	\$1M to \$9.9M
	No spending plans for the next 12 months

50% 23% 27% 16% 33% 19% 48%	1 YEAR'S BUDGETS INCREASED LAST YEAR
	Increased their IT budgets (on average, by 5%).
	Decreased their IT budgets (on average, by 10%).
	Saw no change.
	Average portion of their IT budgets allocated for outsourcing or contract labor.
	Reported an increase in budget allocated for outsourcing or contract labor in the past year (on average, by 22%).
	Reported a decrease in budget allocated for outsourcing or contract labor in the past year (on average, by 11%).
	Reported no change in outsourcing budget.

COMPUTERWORLD

PREMIER 100

IT LEADERS 2005

THIS YEAR'S

SHERRY A. AAHOLM, senior vice president of express and freight solutions, FedEx Services Memphis

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JESUS V. ARRIAGA, vice president and CIO, Keystone Automotive Industries Inc. Pomona, Calif.

DAVID A. BARNES, vice president, UPS Information Services United Parcel Service Inc. Atlanta

JERRY BARTLEY, vice president of application development and quality assurance, Amherstade Holding Corp. Columbia, Md.

SANDEEP BHATIA, director of global customer technology, Franklin Templeton Investments Dublin, Calif.

CONTINUED ON PAGE 30

What's new for 2005

- Enterprise resource planning
- Business intelligence
- Security
- Systems management and development
- Infrastructure development

Top strategic vendors, partners or suppliers

- IBM
- Microsoft Corp.
- Hewlett-Packard Co.
- Cisco Systems Inc.
- Oracle Corp.

Key business solutions and how they're used

- The coming year
- Mobile and wireless
- Security
- Business intelligence/data analytics
- Network and systems management
- Value-driven technologies

Key technology strategy outlook

- Mobile and wireless
- Voice-driven technologies
- Operating systems
- Security
- Collaboration/enterprise

NOTE:

Key technology strategy outlook

- Windows (includes XP, Vista and 7)
- Web services (includes .Net, service-oriented architectures and service-oriented integration)
- Customer relationship management
- Grid computing
- Open-source/Linux

WEAVING TOGETHER COMPANIES, PROCESSES AND PEOPLE

BY MONICA SAMBATARO

The success of any large merger depends on what's delivered after all the parties sign on the dotted lines.

That's the challenge for John R. Dick, 47, of Birmingham, Ala.-based Regions Financial Corp., which completed a merger with Union Planters Corp. in July. As CEO and executive vice president at the \$84-billion financial services firm, Dick is charged with combining the companies' IT organizations, infrastructures and technologies — and making that happen as seamlessly as possible.

"Job 1 is merging business application systems," an effort that includes dozens of system conversion and enhancement initiatives, Dick says. "The important thing is keeping the right balance and focus with minimal customer interruption."

But merging the companies' technology sets is just part of the equation. There's also the organizational change that comes when melding cultures, business practices and processes.

Dick says putting the right people in the right roles and creating an environment in which team members

can excel helps ease transitions. "I try to create open communication to keep people focused on the work while never losing sight of the customer," he adds.

Understanding the priorities of the business is also essential. He says that having a background that includes business and consulting roles, as well as technology management positions, helps him make IT decisions based on the needs of the company. That experience "has enabled me to put a business perspective on technology," Dick says. "I run the technology organization like a business."

Of course, keeping up with IT and industry innovations that could boost the bottom line is part of the job. Dick says he relies on his staff to research new technologies, and he also participates in peer groups and discussions with vendors and business partners.

Rick Horsley, chief

operating officer at Regions, says Dick has managed to keep the company's postmerger work on track while never losing sight of the customer. "John has met the challenge of merging and reorganizing two similar-sized IT organizations and, at the same time, managing the sizable technology component of the merger of these two large banking

organizations," Horsley says. "He is committed to high standards of performance for his customers."

Dick says knowing when to step in and when to trust the decisions of others is the key to leading — and transforming — large IT organizations such as Regions'.

"You lead through people," he says. "The more time I spend in leadership roles, the more I believe that what you can accomplish is truly the result of the people you surround yourself with." ☐ 01073

John R. Dick



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

GILLES BOUCHARD, CEO and executive vice president of global operations, Hewlett-Packard Co., Palo Alto, Calif.

DOUGLAS J. BOURGOIS, director, National Business Center, Washington (formerly CIO at the U.S. Patent and Trademark Office, Arlington, Va.)

LANCELOT MICHAEL BRAUNSTEIN, executive director, Morgan Stanley, New York

SHIRLEY WALTON BRIDGES, senior vice president, Delta Technology Inc., Atlanta

THOMAS J. CAFFEY, vice president of global technology, Glaxo Corp., West Greenwich, R.I.

JOHN G. CAMPBELL, senior vice president and CIO, American Modern Insurance Group, Annetta, Ohio

BARRY P. COHEN, vice president of applications management, Wells Real Estate Funds, Duluth, Ga.

JOOI M. COLLINS, vice president of IT, Southern California Edison Co., Rosemead, Calif.

C. DOUGLASS COUTO, agency service information officer, Michigan Department of Information Technology, Lansing

RON CRAIN, technology director, Kansas City International Airport, Missouri

PIROOZ P. DARUKHANALAH, vice president and chief technology officer, BP PLC, Warrenville, Ill.

DAN A. DEMETER, CIO and senior vice president, Korn/Ferry International, Los Angeles

CONTINUED ON PAGE 32

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The success of any large merger depends on what's delivered after all the parties sign on the dotted lines.

That's the challenge for John R. Dick, 47, of Birmingham, Ala.-based Regions Financial Corp., which completed a merger with Union Planters Corp. in July. As CIO and executive vice president at the \$84 billion financial services firm, Dick is charged with combining the companies' IT organizations, infrastructures and technologies — and making that happen as seamlessly as possible.

"Job 1 is merging business application systems," an effort that includes dozens of system conversion and enhancement initiatives, Dick says. "The important thing is keeping the right balance and focus with minimal customer interruption."

But merging the companies' technology sets is just part of the equation. There's also the organizational change that comes when meshing cultures, business practices and processes.

Dick says putting the right people in the right roles and creating an environment in which team members

can excel helps ease transitions. "I try to create open communication to keep people focused on the work that needs to be done," he adds.

Understanding the priorities of the business is also essential. He says that having a background that includes business and consulting roles, as well as technology management positions, helps him make IT decisions based on the needs of the company. That experience "has enabled me to put a business perspective on technology," Dick says. "I run the technology organization like a business."

Of course, keeping up with IT and industry innovations that could boost the bottom line is part of the job. Dick says he relies on his staff to research new technologies, and he also participates in peer groups and discussions with vendors and business partners.

Rick Horsley, chief

operating officer at Regions, says Dick has managed to keep the company's postmerger work on track while never losing sight of the customer. "John has met the challenge of merging and reorganizing two similar-sized IT organizations and, at the same time, managing the sizable technology component of the merger of these two large banking organizations," Horsley says. "He is committed to high standards of performance for his customers."

Dick says knowing when to step in and when to trust the decisions of others is the key to leading — and transforming — large IT organizations such as Regions'.

"You lead through people," he says. "The more time I spend in leadership roles, the more I believe that what you can accomplish is truly the result of the people you surround yourself with." ● 50073



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

GILES BUCHANAN, CIO and executive vice president of global operations, Hewlett-Packard Co., Palo Alto, Calif.

DOUGLAS J. BOURGEOIS, director, National Business Center, Washington (formerly CIO at the U.S. Patent and Trademark Office, Arlington, Va.)

LANCELOT MICHAEL BRAUNSTEIN, executive director, Morgan Stanley, New York

SHIRLEY WALTON BRIDGES, senior vice president, Delta Technology Inc., Atlanta

THOMAS J. CAFFREY, vice president of global technology, Citicorp, West Greenwich, R.I.

JOHN G. CAMPBELL, senior vice president and CIO, American Modern Insurance Group, Anneta, Ohio

BARRY P. COHEN, vice president of applications management, Wells Real Estate Funds, Duluth, Ga.

JOHN M. COLLINS, vice president of IT, Southern California Edison Co., Rosemead, Calif.

C. DOUGLASS COFFEY, agency services information officer, Michigan Department of Information Technology, Lansing

RON GRAD, technology director, Kansas City International Airport, Missouri

PIERRE P. DARRINGHAMALLA, vice president and chief technology officer, BP PLC, Warrenville, Ill.

DAN A. DEMETER, CIO and senior vice president, Kony Ferry International, Los Angeles

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EARNING CREDIBILITY BY LISTENING TO USERS

BY MONICA SAMBATARO

"One Firm" is the vision behind a knowledge management system Barbara J. Kunkel is implementing at Nixon Peabody LLP. The driver, she says, is rapid growth.

Kunkel, 44, CFO and IT director at the Rochester, NY, based law firm, has seen four mergers since 1999 and expects more as the industry consolidates.

The aim of the project, called NIPVise, is to promote knowledge sharing, develop communities of practice, aggregate related information, and improve communication and collaboration.

"The biggest challenge is integrating different cultures," Kunkel says.

Building support for the knowledge management effort while blending diverse organizations requires strong negotiation skills and the ability to influence others to go in a certain direction, Kunkel says. "Emotional intelligence is critical," she adds. "It's not about the technology you know."

The fact that Nixon Peabody's workforce is global and highly "virtual" makes the task of unifying the firm even more difficult, according to Kunkel. When you can't meet with people face to face, she explains, "you really have to listen

and understand tone."

Another hurdle is persuading attorneys to share their knowledge—something that doesn't come naturally to them, Kunkel says, because information is their competitive advantage.

But Nixon Peabody's One Firm vision doesn't mean it discourages entrepreneurial thinking. "You want diversity of thought," Kunkel emphasizes. "You don't want the same mind set."

The goal is to "bring the best of all worlds together, but still maintain the control and structure" that's needed for the firm to go forward, she says.

Kunkel got her foundation at Eastman Kodak Co., where she attended an executive development program. She also worked at a telecommunications start-up.

She says her mentors have worked mostly outside of IT. "It's fundamental to understand the economies of business," Kunkel says. "You have to know how technology impacts the bottom line."

To keep her skills sharp, Kunkel says, she attends training sessions that have "high value" and reviews emerging technologies with her staff. Kunkel is also involved in mentoring college students and participates in various community activities in Rochester, where she has coached soccer for 20 years.

"I have never seen Barb back off from any challenge," says Sharon Phillips, manager of the project management office and technology training at Nixon Peabody. "Her leadership has always been about

'we can do this' and never about 'let's analyze to death why we can't do it.'"

Kunkel's efforts to bring together people and technologies are paying off: Nixon Peabody's knowledge management initiative is meeting its goals, and the firm is continuing to build the IT infrastructure needed for future growth.

"The No. 1 thing is credibility," Kunkel says. "Once you get it, it's easy to lose. That's the golden rule of any leader." **CS104**



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

JOHN R. DICK, executive vice president and CIO, Regions Financial Corp., Birmingham, Ala.

RICHARD E. EARLE, CIO, Chrysler Group and Mercedes-Benz NAFIA, DaimlerChrysler AG, Auburn Hills, Mich.

LYNNE ELLYIL, senior vice president and CIO, DTE Energy, Detroit

FRANK W. ENFANTO III, vice president of operations delivery and information security, Blue Cross and Blue Shield of Massachusetts Inc., Boston

DALE H. FRANTZ, CIO, Auto Warehousing Co., Tacoma, Wash.

TONY F. FULLER, vice president of IT and chief technology officer, West A-Center Inc., Plano, Texas

FRANK J. GLASHER, director of IT, Gering Display Technologies, Minnetonka, Minn.

RAYMOND E. GOSSEL, vice president and CIO, Xcel Energy, Denver

CHRISTOPHER A. GRAHAM, vice president and CIO, Church Mutual Insurance Co., Merrill, Wis.

A STRATEGIC THINKER HELPS PUSH HIS INDUSTRY FORWARD

BY EUGENE A. DEMATRE

For the past three years, Ron J. Ponder has been CIO and executive vice president of information services at WellPoint Inc., using his experience to help one of the nation's largest health care providers navigate an industry facing vast IT challenges and opportunities.

Although Ponder came to WellPoint from outside the health care field, "he is a strategic CIO with cross-industry expertise in best practices and transaction processing that haven't been explored by the health care industry," says Erin Reuss-Hannafin, vice president of IT business operations at the Indianapolis-based company.

Ponder began his career at Mississippi State University's College of Business and Industry. He also previously worked at FedEx Corp., where he helped introduce an ambitious worldwide package-tracking system, and at AT&T Corp., where he supervised major reorganizations.

"For 20 to 30 years, health care has been behind the rest of U.S. industry, such as financial," says Leonard D. Schaeffer, chairman of WellPoint. "We have more complex data, including tens of thousands of procedure codes."

"Health care is probably among

the more underinvested areas in all sectors of the economy as we try to make our systems more robust, scalable and modern," says Ponder. He notes that his priorities are "customer service, corporate governance and integrating IT planning with business planning."

"I'm proud of the support we've received from both my boss, Chairman Leonard Schaeffer, and senior management for IT's three-year plan," says Ponder. "Rolling out the company's transformation couldn't succeed without 100% support.

We've had several major initiatives, at the enterprise level and at the regional level."

"When some states stopped using Social Security numbers to identify patients, Ron came up with an enterprise-wide solution," says Schaeffer. "Internally, we continue to use legacy systems, but all external systems are compliant."

Ponder also helped lead WellPoint's Physicians Technology Initiative, a project through which doctors in four states receive their

choice of wireless or desktop systems, free of charge. The \$40 million initiative is intended to improve physicians' ability to communicate with patients and pharmacists, enhance care and reduce administrative costs.

The initiative was led by an executive team that included the staffs of the actuarial and IT departments and the chief medical officer, says Ponder.

"It started in January, and we're just signing up the last of 22,000 network physicians to provide online connectivity. It has been extremely successful," he says.

"We led the industry by stimulating the physician adoption of technology — in-office terminals — to help avoid prescription errors and integrate workflow to be more efficient for any health plan," Reuss-Hannafin says. "Whether it's a specific and technical topic, such as data or telecommunications, or strategic thinking, it's fun working with and learning from him."

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DAVID HAMMOND, director of application development, Cardinal Health Inc., Dublin, Ohio

ROBERT D. HARPER, undersecretary, Louisiana Department of Natural Resources, Baton Rouge

PAUL T. HENRIOT, vice president of IT and program development, Overco & Minor Inc., Glen Allen, Va.

RICHARD W. HOFFMAN, director of IT, Hyundai Motor America/ Hyundai Motor Finance Co., Fountain Valley, Calif.

JAMES E. HULL, vice president of

engineering services, MasterCard International Inc., O'Fallon, Mo.

JAMES LEE HUNTER, vice president of information technology services, Southern Co., Carrollton, Ga.

C. KENDAL INGRAM, CIO, CureSearch Children's Oncology Group, Arcadia, Calif.

GERHARD W. KARRA, vice president and CIO, Hines Interests LP, Houston

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Barbara J. Kunkel



Barbara J. Kunkel, CIO and IT Director at Nivon Peabody LLP

Kunkel is the author of *Building the Future: How to Build a Successful IT Infrastructure*, published by McGraw-Hill.

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Ron J. Ponder



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C. KENDAL INGRAM, CIO, CureSearch Children's Oncology Group, Anchorage, Calif.

BERNARD W. KARSA, vice president and CIO, Hines Interests LP, Houston

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ADVISOR'S CHRONICLE

SMART CAREER ADVICE

BY LYNN ELLYN, author of *Smart Career Advice* and CIO, OTE Energy, Detroit

E Get a diverse education. Make the world and a big part of you. Be clever in technology and business. Be good with people and be decisive. Be an attentive listener and a compelling speaker. Blend the talents and interests that others view as a source of conflict. Have a strong inclination to act.

◆ LANCELOT MICHAEL BRAUNSTEIN, president, J.P. Morgan Stanley, New York

E Focus on the business, not just the cases. It is an enabler. The most successful IT professionals I have known are those who can integrate business savvy with technology expertise.

◆ TOM H. STANGROOM, president, IT, Halliburton, Houston, Texas

E Develop strong technical and communication skills, a strong customer service orientation and a willingness to help others. Basic teamwork is essential, as IT is a very collaborative work environment. Be able to relate to others, empathize and listen.

JOHN A. LEVER

WILLIAM J. HARRIS, president, Harris Corp., Columbia, Md.

E I would recommend a liberal arts education, with a strong underpinning in mathematics/science. Pure computer science is software engineering or too heavily technology-focused IT management focus. Also, liberal arts provides the foundation for critical thinking, communication skills and a cultural richness model to base thought and actions upon.

◆ BARBARA KUMAR

E To succeed in a career, it's important to be a "T-shape."

Thinking in the soft skills is as important as the "hard" skills. I believe that globally, like a foreign language, is a "T-shape" that is essential.

SMART CAREER ADVICE

It's hard for a few years. International work experience will provide you with a broader perspective on business issues.

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BLURRING THE LINE BETWEEN BUSINESS AND IT

BY LINDA ROSENCRANCE

One of the main reasons David A. Barnes is a good leader is that he lets business drive technology, not the other way around.

"It's kind of a trademark for UPS," and for Dave in particular," says Cathy Callaghe, vice president of UPS Information Services' operations portfolio. "He won't put technology out there just for technology's sake, which is why it makes him such a great leader here. [The technology] has to have bottom-line ROI. And he looks at every detail there is in terms of design, deployment and how we get it out for those operators."

Barnes, 48, who is vice president of UPS Information Services, chalks it up to training and experience.

"I had financial and IT training back in school, so it's pretty easy to switch from business side to IT side, which has helped me throughout my career," he says. "I had an opportunity to work in Louisville, where we have our center of air-frames operations, then went into in-

ternational systems when we were starting the rapid expansion of UPS International, and I moved back from business IT to the business side of technology."

Barnes saw to it that the international technology was driven from a business perspective.

"I did that for about 10 years and was responsible for the business side of global systems — everything from brokerage to package sorting to claims and billing," he says.

In addition to staying abreast of technology trends and continuing to develop his business skills, Barnes says his ability to take a vision and turn it into reality helps him stay on top of his current job. One project Barnes took from vision to action was improving UPS's

package-flow technologies — a suite of software, hardware and process changes that upgraded the package-delivery operations and resulted in better customer service and improved the timing and accuracy of deliveries.

When the system is fully deployed in 2007, it will be used by 100,000 employees at more than 1,000 sites and reduce costs by some \$600 million annually.

"Any project of this scale is a challenge," Barnes says. "I think we did a really good job as a team, taking a vision, breaking it down into manageable steps, transitioning the vision into action, selling that vision out to our operating units and building a technology by working with our technology vendors — and delivering it on time." **CS 50955**

David A. Barnes



David A. Barnes
Vice President of UPS Information Services
Good to Know by
Jim Collins



David A. Barnes
Vice President of UPS Information Services
Good to Know by
Jim Collins

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JOANNE M. KOSSUTH, CIO,
Franklin W. Olin College of Engineering,
Needham, Mass.

HELENE KRAMER, head of information security, HSBC.com Inc., Jersey City, N.J.

JAMES R. KRAUSE, managing director and CIO, Chicago Mercantile Exchange Inc., Chicago

BARBARA J. KUNKEL, CIO and IT director, Nean Robotics LLP, Rochester, N.Y.

JAMIE KUTZER, CIO, Allied Building Products Corp., East Rutherford, N.J.

BRIAN P. LECLAIRE, vice president and chief technology officer, Humana Inc., Louisville, Ky.

JAMES D. LESTER III, senior vice president and CIO, AFLAC, Columbus, Ga.

JOHN A. LEVER, director, information architecture governance, Naval Meteorology and Oceanography Command, Stevens Space Center, Miss.

RICH L. MALONE, general principal and CIO, Edward Jones, Maryland Heights, Mo.

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WILLIAM K. MCQUESTON, CIO, Truman Medical Centers Inc., Kansas City, Mo.

HOWARD A. MELNICK, senior vice president of information resources application services, Marriott International Inc., Westborough

THOMAS D. MIDLES, senior managing director, Cladwell Investment Group LLC, Chicago

A MAN OF MEDICINE ADDS TECHNOLOGY TO HIS RÉSUMÉ

BY LINDA ROSENCRANCE

Daniel J. Nigrin's greatest strength is that he sees the practical application of IT in health care, says Scott Opatwa, who, as Children's Hospital Boston's chief technology officer, works for Nigrin.

That's because CIO Daniel Nigrin is also Dr. Daniel Nigrin.

His background isn't really based in IT. "I started out and continue mostly in the health care space. My training was in medicine," says Nigrin, who is also the hospital's senior vice president for IS.

Even in college, Nigrin says, he had little formal computer training.

"I was always sort of an underground IT hacker and was self-taught," says Nigrin, 38, whose medical specialty is pediatric endocrinology. "It wasn't until my fellowship training in medical informatics that I did through a joint Harvard/MIT program that I really started to get more formally involved. That was in 1996-98. That led to a master's degree at MIT in medical informatics."

Nigrin says that at that point, he started to follow an academic medical career path in which he practiced medicine but also did academic research. In addition, he started winning grant applications.

Soon he began to get involved in the day-to-day operations of the IT infrastructure at the hospital. In early to mid-2000, Nigrin took on a more formal role in the information systems department, serving as the bridge between the medical and IT communities.

Then, in 2001, the hospital's CIO left, and Nigrin was asked to step in as interim CIO. Six months later, he was asked to stay on permanently. These days, he says, he stays sharp, in part, by keeping as close as possible to the technical implementations of various projects.

One of Nigrin's most

successful projects as CIO was the complete overhaul of the Children's Hospital Information System, which includes applications such as hospital billing, patient registration, electronic data interchange with payers, medical records tracking, and an outpatient appointment-scheduling application.

What made the project successful was a tight alliance among the IT department, the finance department and the patient care services department, Nigrin says. He says his ability to reach out to the various groups and bring them all together to work collaboratively on the project helped it get off the ground without a hitch.

"I've always been the type of person who straddles lines between different areas," he says. ☐ 50956



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JOHN R. MILES, global head of client systems and services, Level Lease Corp., Atlanta

ROB MINICOZZI, vice president of applications development, Arrow Electronics Inc., Melville, NY

AZAM A. MIRZA, vice president of global software, Renaissance Group of America Inc., Chesterfield, Mo.

NANCY W. MUKHOLAND, deputy executive director and CIO, New York State Workers' Compensation Board, Albany

HERMAN NELL, senior vice president and CIO, Fiskars Brands Inc., Hudson, Wis.

DANIEL J. NIGRIN, senior vice president for information systems and CIO, Children's Hospital Boston

MASOOM NOORBAKHSH, CIO, Prince William County, Woodbridge, Va.

ROBERT W. OCHSMEYER, senior vice president of IT operations and telecommunications, Magellan Health Services Inc., Columbia, Mo.

ROBERT H. OWER, vice president of information services, Microchip Technology Inc., Chandler, Ariz.

JOHN S. PARKINSON, vice president and chief technologist, Cognometrics, Rosemont, Ill.

LEE O. PEARSON, vice president and CIO, Newgent Realty Investors, Houston

BARBARA F. PHELER, senior vice president and CIO, Northwestern Mutual Milwaukee

GEORGETTE A. PILLOMAN, senior vice president and CIO of corporate systems, MetLife Inc., Hightstown, N.J.

STEPHEN C. PLUT, CIO, Mine Safety Appliances Co., Pittsburgh

CONTINUED ON

SMART CAREER ADVICE

1. Experience with technology is the best teacher in today's world. I encourage all young people who contact me regarding employment to not only get their schooling, but to also get hands-on experience in making things work. Volunteer at a school or a church or an organization like YMCA. Put your training into practice by getting your hands dirty writing code, developing a database, building a network or, in other words, make something work. Anyone can learn the new knowledge, but those with a passion for technology are the ones who will get the jobs in today's IT world.

2. Seek out... intellectual diversity—too many IT practitioners suffer from mental atrophy as a result of interacting only with people who "speak" the same language. Become really good at something outside of IT. Take a course in...

3. Focus on... the future—technology has an immense impact on general and the technology organizations are helping businesses create value for their clients and shareholders. It is a major in business.

4. Get a broad-based education—you want to eventually move into management. Get exposure to as many classes as possible. Don't forget to study human behavior. Communication is more critical than you will ever know.

5. Write it down—keep a journal of your thoughts and ideas. Write it down.

6. Excellent writing skills, verbal communication skills, and adaptability and flexibility are the most important skills to cultivate because you can be the technology or I can keep changing. ☐ 50758

BLURRING THE LINE BETWEEN BUSINESS AND IT

BY LINDA ROSENCRANCE

One of the main reasons David A. Barnes is a good leader is that he lets business drive technology, not the other way around.

"It's kind of a trademark for UPS, and for Dave in particular," says Cathy Callaghe, vice president for UPS Information Services' operations portfolio. "He won't put technology out there just for technology's sake, which is why it makes him such a great leader here. [The technology] has to have bottom-line ROI. And he looks at every detail there in terms of design, deployment and how we get it out for those operations."

Barnes, 48, who is vice president of UPS Information Services, chalks it up to training and experience.

"I had financial and IT training back in school, so it's pretty easy to switch from business side to IT side, which has helped me throughout my career," he says. "I had an opportunity to work in Louisville, where we have our center of air-frames operations, then went into in-

ternational systems when we were starting the rapid expansion of UPS International, and I moved back from business IT to the business side of technology."

Barnes saw to it that the international technology was driven from a business perspective.

"I did that for about 10 years and was responsible for the business side of global systems — everything from brokerage to package sorting to claims and billing," he says.

In addition to staying abreast of technology trends and continuing to develop his business skills, Barnes says his ability to take a vision and turn it into reality helps him stay on top of his current job. One project Barnes took "on vision to action was improving UPS's

package-flow technologies — a suite of software, hardware and process changes that upgraded the package-delivery operations and resulted in better customer service and improved the timing and accuracy of deliveries.

"When the system is fully deployed in 2007, it will be used by 100,000 employees at more than 1,000 sites and reduce costs by some \$600 million annually."

"Any project of this scale is a challenge," Barnes says. "I think we did a really good job as a team, taking a vision, breaking it down into manageable steps, transitioning the vision into action, selling that vision out to our operating units and building a technology by working with our technology vendors — and delivering it on time." ☐ 50665



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

JOANNE M. KOSKUTZ, CIO, Franklin W. Olin College of Engineering, Needham, Mass.

HELENE KRAMER, head of information security, HSBC.com Inc., Jersey City, N.J.

JAMES H. KRAMER, managing director and CIO, Chicago Mercantile Exchange Inc., Chicago

BARBARA J. KUNDEL, CIO and IT director, Neenah Papyrus LLP, Rochester, N.Y.

JAMIE KUTZER, CIO, Allied Building Products Corp., East Rutherford, N.J.

BRIAN P. LAFLAIRE, vice president and chief technology officer, Harsco Inc., Louisville, Ky.

JAMES D. LEITER III, senior vice president and CIO, AFLAC, Columbus, Ga.

JOHN A. LEVER, director, information architecture governance, Naval Meteorology and Oceanography Command, Stennis Space Center, Miss.

WICK L. MALONE, general principal and CIO, Edward Jones, Maryland Heights, Mo.

JEFFERY M. MARSHALL, senior vice president and CIO, The Men's Wearhouse Inc., Fremont, Calif.

THOMAS W. MCCURLEY, vice president of IS, Hardware and Home Improvement Group, Black & Decker Corp., Lake Forest, Calif.

WILLIAM K. MCQUESTON, CIO, Turner Medical Centers Inc., Kansas City, Mo.

HOWARD A. MELNICK, senior vice president of information resources application services, Marriott International Inc., Washington

THOMAS G. MORRIS, senior managing director, Citadel Investment Group LLC, Chicago

A MAN OF MEDICINE ADDS TECHNOLOGY TO HIS RÉSUMÉ

BY LINDA ROSENCRANCE

Daniel J. Nigrin's greatest strength is that he sees the practical application of IT in health care, says Scott Ogawa, who, as Children's Hospital Boston's chief technology officer, works for Nigrin.

That's because CIO Daniel Nigrin is also Dr. Daniel Nigrin.

His background isn't really based in IT. "I started out and continue mostly in the health care space. My training was in medicine," says Nigrin, who is also the hospital's senior vice president for IS.

Even in college, Nigrin says, he had little formal computer training.

"I was always sort of an underground IT hacker and was self-taught," says Nigrin, 38, whose medical specialty is pediatric endocrinology. "It wasn't until my fellowship training in medical informatics that I did through a joint Harvard/MIT program that I really started to get more formally involved. That was in 1996-98. That led to a master's degree at MIT in medical informatics."

Nigrin says that at that point, he started to follow an academic medical career path in which he practiced medicine but also did academic research. In addition, he started writing grant applications.

Soon he began to get involved in the day-to-day operations of the IT infrastructure at the hospital. In early to mid-2000, Nigrin took on a more formal role in the information systems department, serving as the bridge between the medical and IT communities.

Then, in 2001, the hospital's CIO left, and Nigrin was asked to step in as interim CIO. Six months later, he was asked to stay on permanently. These days, he says, he stays sharp, in part, by keeping as close as possible to the technical implementations of various projects.

One of Nigrin's most

successful projects as CIO was the complete overhaul of the Children's Hospital Information System, which includes applications such as hospital billing, patient registration, electronic data interchange with payers, medical records tracking, and an outpatient appointment-scheduling application.

What made the project successful was a tight alliance among the IT department, the finance department and the patient care services department, Nigrin says. He says his ability to reach out to the various groups and bring them all together to work collaboratively on the project helped it get off the ground without a hitch.

"I've always been the type of person who straddles lines between different areas," he says. ☐ 50056



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

JOHN H. MILES, global head of client systems and services, Lend Lease Corp., Atlanta

ROD MINICCOZZI, vice president of applications development, Arrow Electronics Inc., Melville, N.Y.

AZAH A. MORZA, vice president of global software, Renaissance Group of America Inc., Chesterfield, Mo.

NANCY H. MULLHOLLAND, deputy executive director and CIO, New York State Workers' Compensation Board, Albany

HERMAN NELL, senior vice president and CIO, Fiskars Brands Inc., Madison, Wis.

DANIEL J. NIGRIN, senior vice president for information systems and CIO, Children's Hospital Boston

NASOUD NOORBAKHSH, CIO, Prince William County, Woodbridge, Va.

ROBERT W. OGDENSHIMER, senior vice president of IT operations and telecommunications, Magellan Health Services Inc., Columbia, Md.

ROBERT H. OWEN, vice president of information services, Microchip Technology Inc., Chandler, Ariz.

JOHN S. PARKINSON, vice president and chief technologist, Cognemini, Rosemont, Ill.

LEE S. PEARSON, vice president and CIO, Wangen Realty Investors, Houston

BARBARA F. PIERLER, senior vice president and CIO, Northwestern Mutual, Milwaukee

BERNETTE A. PLUMMER, senior vice president and CIO of corporate systems, MetLife Inc., Hightstown, N.J.

STEPHEN C. PLUFF, CIO, Mine Safety Appliances Co., Pittsburgh

CONTINUED ON PAGE 36

MASTERING THE ART OF BUILDING CONSENSUS

BY GARY H. ANTHES

"The most important thing to me is knowing who I am, what I stand for, what my values are," says IT leader George A. Piligian, 40, senior vice president and CIO of corporate systems at MetLife Inc. in Hauppauge, N.Y.

Such self-understanding gives a person the courage to seek out things that need changing, when living with the status quo often would be easier, she says. "It's looking for those things, big or small, that you know should be different, and you're willing to stand up and go to battle, even when everyone is not going to agree with you."

For example, two years ago, Piligian saw that the insurance company's MetLink application, an employer benefits administration tool used by group customers, was getting long in the tooth. It required the distribution of diskettes and use of dial-up or dedicated telephone lines by customers to access transactions on MetLife's mainframe.

"The response time was slow, the

sales force had lost faith in it, and we hadn't made the investment to make it what it should be," she says.

"People wanted to kill the application," Piligian recalls, "but I said, 'No, it's outdated, but it's the right model for our business.'"

I remember having ferocious but constructive arguments with our business partners."

Converting the application to an Internet Web portal was seen as risky, but that's what Piligian recommended. And that's what MetLife did.

"It opened the possibilities for online services and significantly improved the administration of benefits for our customers," she says of the system now. "It remains in production today, servicing over 5,000 customers and millions of trans-

actions annually."

"She was able to update this platform without making a whole new investment to start from scratch," says Jim Heston, senior vice president and head of human resources at MetLife. "George's leadership—how to collaborate in the organization and build partnerships—has gotten us to a very good place."

"George lays out what the options are and makes a compelling case," Heston adds. "She does everything with great energy and passion, and she is inspiring to her own staff."

"It's leadership to stand up for something when it's easier to agree with everybody else," Piligian says. "It's harder to take a position and get people to come over." **50808**



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

RON J. PINDER, executive vice president of information services and CIO, WellPoint Inc., Indianapolis

PETER FRIEDLAND-BYRNE, senior vice president of application development, Countrywide Financial Corp., Simi Valley, Calif.

STEVEN J. RANDICH, executive vice president and CIO of operations and technology, Nasdaq Stock Market Inc., Trumbull, Conn.

TOM REDDER, vice president and CIO, Del Laboratories Inc., Unioctide, N.Y.

KENNETH A. RICCHI, chief of computer services division and telecommunications officer, U.S. Census Bureau, Bowie, Md.

DAVID H. RICE, vice president and CIO, Siemens Medical Solutions Inc., Malvern, Pa.

JAN B. RIDEOUT, vice president and CIO, Northrop Grumman Ship Systems, Pascagoula, Miss.

JAMES J. RHALIN, CIO, U.S. Food and Drug Administration, Rockville, Md.

GUY J. RUSSO, senior vice president of finance and information services, Commonwealth Credit Union, Lenexa, Kan.

CHARLES SCHIANO, manager of systems development, Metropolitan Transportation Authority/Long Island Rail Road, Jamaica, N.Y.

JOHN R. SCHILLE, CIO and senior vice president, American Fidelity Assurance Co., Oklahoma City

JAIME SERRERA, second vice president and chief architect, Guardian Life Insurance Company of America, New York

HAVING THE COURAGE TO DELIVER BAD NEWS

BY GARY H. ANTHES

"Getting things done in our world really depends very little on the technology," says Jan G. Rideout, 47, a vice president and CIO at the Ship Systems unit of Northrop Grumman Corp. "It really depends on the people. It's about getting people's mind-sets in the right direction, whether that's with your staff, customers or suppliers."

Indeed, Rideout's ability to align the attitudes of conflicting parties at the company has become a hallmark of her leadership style. "She's outspoken when she needs to be," says Annie Moore, vice president of engineering. "She's had to walk the line between the desires of users and the costs of the solutions."

When Rideout arrived at Ship Systems in Pascagoula, Miss., three years ago, a big project in computer-aided design, manufacturing and engineering was on the rocks, and the atmosphere between Ship Systems and the vendor, Paris-based Dassault Systemes SA, was stormy. "Dassault had missed many dead-

lines, and the relationship [with] Dassault had become strained," she says. "That meant getting very senior executives committed, from Ship Systems and Dassault."

Users had become so convinced

that the project would not succeed that many favored falling back on legacy systems. But what was needed, Rideout realized, was some help — from other IT units at Northrop Grumman and from systems integrator IBM.

The IBM work wouldn't come cheap, however. "She recognized we needed some outside help, but that was not popular initially with me and with others because that was going to cost money," Moore says. "But as a result of bringing in the systems integrator, we are back on track."

"A characteristic of a good leader is you need to be able to deliver the bad news, and the sooner the better," Rideout says. "But you have to get over it and help others get over it and move on."

And it isn't just the conflicting interests of users and budgeters that Rideout has to reconcile: She has two bosses, the president of Ship Systems and the corporate CIO. "There are times when you get caught in the middle," she says. "At times, you have to take a stand one way or the other. You can't always be a diplomat. You really have to have the courage to go against the grain."

Asked what other advice she'd offer an IT manager with two bosses, Rideout says, "Be prepared to work two jobs." ☐ 50810



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

ATIQUE R. SHAH, vice president of CRM and technology solutions, Churchill Downs Inc., Louisville, Ky.

CALVIN S. SHILLING, executive vice president and CIO, AmerCold Logistics LLC, Atlanta

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TONI M. STANARDSON, vice president and CIO, National Rural Electric Cooperative Association, Arlington, Va.

MARIA C. SUAREZ, assistant vice president of security assurance, Empire BlueCross BlueShield, WalChico Inc., Brooklyn, N.Y.

CAROL SUCHTY-HUDSON, program manager for quality assurance and security, Johnson & Johnson Health Care Systems Inc., Piscataway, N.J.

LOREEN M. TADNUT, vice president of information services, Calpine Corp., Folsom, Calif.

MICHAEL J. TAYLOR, CIO, Todd Pacific Shipyards Corp., Seattle

TRUVY B. THOMAS, executive vice president of enterprise management services, KeyCorp, Cleveland

FRANK J. THORUL, CIO, Shell Oil Products US and Motiva Enterprises LLC, Houston

VINCENT J. VACHO, director of e-business, Newell Rubbermaid Inc., Freeport, R.I.

JOHN C. WARD, vice president and CIO, Saint Luke's Health System, Kansas City, Mo.

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MASTERING THE ART OF BUILDING CONSENSUS

BY GARY H. ANTHES

"The most important thing to me is knowing what I am, what I stand for, what my values are," says IT leader Georgeette A. Pilgrum, 40, senior vice president and CIO of corporate systems at MetLife Inc. in Hightstown, NJ.

Such self-understanding gives a person the courage to seek out things that need changing, when living with the status quo often would be easier, she says. "It's looking for those things, big or small, that you know should be different, and you're willing to stand up and go to battle, even when everyone is not going to agree with you."

For example, two years ago, Pilgrum saw that the insurance company's MetLife link application, an employer benefits administration tool used by group customers, was getting long in the tooth. It required the distribution of diskettes and the use of dial-up or dedicated telephone lines by customers to access transactions on MetLife's mainframe.

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at MetLife. "Georgeette's leadership — how to collaborate in the organization and build partnerships — has gotten us to a very good place."

"Georgeette lays out what the options are and makes a compelling case," Heston adds. "She does everything with great energy and passion, and she is inspiring to her own staff."

"It's leadership to stand up for something when it's easier to agree with everybody else," Pilgrum says. "It's harder to take a position and get people to come over." **506089**

Georgeette A. Pilgrum



Senior Vice President and CIO of Corporate Systems at MetLife Inc.
Carly Fiorino

Senior Vice President and CIO of Corporate Systems at MetLife Inc.
Carly Fiorino

Senior Vice President and CIO of Corporate Systems at MetLife Inc.
Carly Fiorino

A CIO of BP Alaska, I understand an aggressive outsourcing of commodity IT functions to specialist vendors in the early 1990s, pioneering the concept in Alaska. This entailed significant political risk, as the Alaskan government was highly focused on state employment levels and hadn't yet encouraged this concept. BP's operations, on the other hand, were highly prominent and sensitive to state relationships. Commercial risk was also ultimately at stake, as the state's largest IT operation in the state and relatively remote Alaskan community was novel to both vendors and the BP organization. Lastly, the decision required consideration of service, organizational reassignment and an array of technical risks. While not without some missteps and a few ups and downs, this program ultimately contributed to the business both politically and commercially. By working closely with vendors to create a closely aligned team in Alaska, we were able to meet our challenges and achieve a successful outcome. www.bpalaska.com

As a Microsoft technology partner, I have been able to provide a range of services to our clients, including the development of custom applications and the integration of Microsoft products with existing systems.

As a technology leader, I build long-term relationships with clients, ensuring they have the best solutions for their needs. I work closely with our clients to understand their business goals and challenges, and I provide them with the best technology solutions to meet those needs. I have a proven track record of success in building long-term relationships with clients, and I am proud to be a part of the team that has helped our clients achieve their goals. I am a technology leader, and I am committed to providing the best solutions for our clients.

COMPUTERWORLD 100 PREMIER IT LEADERS 2005

RON J. PINDER, executive vice president of information services and CIO, WorldPoint Inc., Indianapolis

PETER PRESLAND-BRYNE, senior vice president of application development, Countywide Financial Corp., Sim Valley, Calif.

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CHARLES SCHAND, manager of systems development, Metropolitan Transportation Authority/Long Island Rail Road, Jamaica, N.Y.

JOHN R. SCHILLE, CIO and senior vice president, American Fidelity Assurance Co., Oklahoma City

JAIME SOUVERA, second vice president and chief architect, Guardian Life Insurance Company of America, New York

HAVING THE COURAGE TO DELIVER BAD NEWS

BY GARY H. ANTHES

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Indeed, Rideout's ability to align the attitudes of conflicting parties at the company has become a hallmark of her leadership style. "She's outspoken when she needs to be," says Annie Moore, vice president of engineering. "She's had to walk the line between the desires of users and the costs of the solutions."

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Asked what other advice she'd offer an IT manager with two bosses, Rideout says, "Be prepared to work two jobs." ☐ 50610



WHICH DID YOU ALWAYS MISS IN THE IT INDUSTRY?
Café Frisco.

WHAT'S YOUR FAVORITE INVENTION?
The BlackBerry II (I'm #4 and half off).

WHAT'S YOUR DREAM JOB?
Ladies shoe store owner.

LEADER'S CHRONICLE

RISKIEST DECISIONS

BY JERRY BARTLETT

server technology after working with the traditional mainframe approach.

JERRY BARTLETT is a senior consultant at the American Bank of Commerce in Chicago.

By the time riskiest technology decisions have been centered on the Ameritrade/Datask merger. Instead of selecting a single company's suite of integrated systems, we decided that a hybrid approach would result in a shorter time to perform the client account migration and would ultimately provide an enhanced, less disruptive experience.

We selected the Web infrastructure for our management and back-end systems of Ameritrade, and the streaming content products and order router from Datask. As needed, we have fully integrated while not changing the fundamental user experience of either client base. We achieved lower attrition rates than anticipated and our synergies rather than expected due to the rapid return of nearly half the existing technology infrastructure.

DANIEL J. NORDIN is a senior consultant at the American Bank of Commerce in Chicago.

In 2001 we made the decision to build our new research facility, a 12-story, 300,000-square-foot facility dedicated to both clinical and basic scientific research, entirely with value-over-IT life science. During the feasibility and pre-project stages of the project planning, focused on merging the seven core data communication infrastructure. First, strictly financial perspective, it seemed logical to implement parallel technologies for voice and data networks. But the IT was implemented at Children's.

We had been seeking Web-based solutions in the IT department and the prospect of implementing this in a Web-based fashion looked promising. Nonetheless, I would have preferred to see the merging in a health care institution of a similar function to ours before making the decision. Looking back, I am very satisfied that our expense evaluation and spent extra effort on building the business case for the combined Web structure. Finally, presented the plan to our finance subcommittee of our board of trustees, who reviewed the analysis and costs vs. benefits and approved the plan. When the building opened, new occupants noticed little difference aside from the phones. Beyond the phones, everything was different.

Interviewed by J. Data (email)

COMPUTERWORLD 100 PREMIER IT LEADERS 2005

ATIQUE R. SHAH, vice president of CRM and technology solutions, Churchill Downs Inc., Louisville, Ky.

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FRANK J. THROUS, CIO, Shell Oil Products US and Mobina Enterprises LLC, Houston.

VINCENT J. VACHO, director of e-business, Newell Rubbermaid Inc., Freepoint, Ill.

JOHN C. WADE, vice president and CIO, Saint Luke's Health System Kansas City, Mo.

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HOW THEY WERE CHOSEN



THE JUDGES

Vickie M. Smith, senior vice president of IT at Helena Chemical Co.



Helen Padmanabha, vice president of corporate systems at IT.



David M. Wennergren, chief information officer at the U.S. Navy.



Margaret M. Williams, executive vice president and chief information officer at Scottsdale Insurance Co.



Kurt D. Woetzel, executive vice president and chief information officer at The Bank of New York.



Scott Woldridge, director of IT operations at Hewitt Associates LLC.



Brian A. Young, vice president for IT at Ogilvy & Mather.



Joyce L. Young, chief information officer at CP Kelco, Ohio.



Harriet M. Wasserman, associate dean and director of IT at American Seafood Community College.

USING BUSINESS SAVVY TO RESCUE A FAILING PROJECT

BY HEATHER HAVENSTEIN

Vickie M. Smith landed her job as senior director of IT at Helena Chemical Co. after spearheading efforts in 1999 to clean up a beleaguered Oracle ERP project that was 600% over budget and not working.

After being promoted from assistant controller to her current position in 2000, she finished the job, getting all major systems working within 18 months.

How did she do it? To fix that problem — and tackle the new challenges she faces today — Smith, 50, leverages the thorough understanding of the business and end users she developed working as Helena's assistant controller for more than five years.

"I don't think you can be a manager and a leader of any department unless you understand the business and the scope of what you are leading," Smith says. "Having a business background has been the key to my success. ... The business sector looks at it as understanding what they do and knowing what they need. IT has gone from being one of the least-desirable departments here to being known as one

of the premier departments here."

Recently, Smith led a major project to upgrade Oracle 10.7 client server-based applications to the Web-based Oracle 11i suite. The project went live under budget and more than two days ahead of schedule and locked users out of the system for only three days instead of the scheduled five.

As part of that effort, she directed a development team that tested, recoded and migrated more than 600 Helena customizations to the system three months prior to the upgrade for less than \$1 million — far less than Oracle's estimate of \$30 million to complete the project.

"It's taking a risk because my upper management is asking if we can do it in-house, and I said yes, so that is putting everything on the line," she says. "Basically, my staff said they didn't need anybody. So I trusted them

to do that — they have more knowledge on the systems and the company than anybody we could bring from the outside."

IT, Padmanabha, Helena's manager for technical projects, says Smith's main strength is exploiting her background to bridge the gap between business users and the IT department. For example, Smith recently brought two business analysts to the IT department to translate business needs to the technical staff.

"These guys had the business exposure, and they had the knowledge of our systems," Padmanabha says. "They always sat with the users and gathered requirements. [and] when we turn around and do some customization or build a new process, they go back and test it before the users see it. The business users are seeing a full-blown product that is actually working." **Q5954**



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

BETTE M. WALKER, vice president and **CIO**, Delphi Corp., Troy, Mich.

HARRIET M. WASSERMAN, associate dean & director of IT services, Seaside Central Community College.

DAVID M. WENNERGREN, **CIO**, Department of the Navy, Washington

MARGARET M. WILLIAMS, **CIO** and vice president of IT, Scottsdale Insurance Co., Scottsdale, Ariz.

KURT D. WOETZEL, executive vice president and **CIO**, The Bank of New York, New York

SCOTT WOLDRIDGE, director of IT operations, Hewitt Associates LLC, Lincolnshire, Ill.

STONA WONG, **CIO**, Paul Hastings, Jaretsky & Walker LLP, Los Angeles

BRIAN A. YOUNG, **CIO** and vice president for IT, Ogilvy & Mather, Omaha

JOYCE L. YOUNG, **CIO** and vice president of IT, CP Kelco, Ohio

MORE ONLINE

Editor's Picks: Read our collection of the best leadership stories from the past year.

Plus, our newest collection of short stories includes this year's Crisis of Premier IT Leaders that you can download for your PowerPoint presentation.

A Brave New Day

WE'RE BACK. Yes, it's been a long, dark, dirty slog through the past few years. IT went from being the golden boy of the organization — the department that was going to lead everyone into miraculous new Internet-enabled ways of doing business — to the whipping boy in every budget cycle. In the wake of endless ERP rollouts, thankless Y2k success and a dot-com collapse that made all that Internet-revolution rhetoric sound silly, we've seen staff and budgets and, yes, hope cut to the bone.

But the worst is over. IT is back. The proof: what this year's Premier 100 IT Leaders have been doing.

I was drafted as one of the first-round judges for the Premier 100 Best in Class awards. These are the IT projects from the past year that Premier 100 honorees are proud of — their most successful, most important work. Computerworld will announce the winning projects in a special report in March.

I've done this kind of thing before. I was expecting a grim, headache-inducing litany of technical minutiae and make-believe payback guarantees.

Instead, I was blown away.

Nut by the clever, innovative technology that some of these IT executives pulled out. Hey, I love hot new gear as much as the next propeller head. And it was fun to read about clever wireless implementations and other cutting-edge approaches to problems that don't have off-the-shelf solutions.

But what took me by surprise was how thoroughly these CIOs have mastered the juggle of IT.

One project description after another was focused on the people: Users, Managers, Executives, Customers. That was where the challenges started, where the problem solving began, where the direction was forged. CIO reluctance and end-user resistance have always been problems, but at one time we would have accepted them with a shrug. Now we tackle them head-on, understanding that without executive support and user acceptance, IT projects fail.

The new marks of success for many of these projects: "delighted" users and projects that are "major satisfiers" not just dollars or hours or labor or gallons of fuel saved.

The mark of how far we've come: One CIO describes working through the cultural and communication issues on a project as "a challenge as well as a delight."

Corporate politics, stakeholder communication,

user training — these are what used to slow us down on the way to our technical work. Now, increasingly, they're what propel us to our business solutions.

The other element that stunned me was the beaming confidence these Premier 100 honorees display. We all know IT morale is in the toilet, and we've seen how that has turned some IT shops into bunkers full of cowering timidity, where everyone's afraid that whatever they do will be wrong.

But not among these IT leaders. They're outsourcing to save money. And insourcing to save money. They're reinventing disaster recovery and re-designing project development discipline. They're going after unsexy, hard-to-sell projects like infrastructure improvement and reuse.

They've found sweet spots — small projects that have a big business impact, things that in some cases could and should have been done years ago. And they've learned that many IT projects, maybe most of them, aren't really individual projects at all. They're part of a process of business improvement that never ends.

It wasn't really so long ago that we were told IT could transform business. We thought the driver would be the Internet.

That was wrong.

It wasn't long ago that we were told IT no longer matters, that no technology could make a real difference for the business, that IT was doomed to dwindle into irrelevance. That was wrong, too.

We wouldn't want to live through the past few years again. But we've come out of that long, dark night with a clearer, stronger, dramatically more focused understanding of IT, business and how we can truly transform our organizations.

And if the proof is in what we're able to do, IT is most definitely back. **Q 51077**

IT LEADER SNAPSHOTS

What They're Reading

- 1 The Da Vinci Code
- 2 Good to Great
- 3 Angels and Demons
- 4 The B-11 Cometscan Report
- 5 My Life

Their Top Five Dream Jobs

- 1 University professor
- 2 Sports coach or athlete
- 3 Chef or restaurant owner
- 4 Astronaut
- 5 Doctor

How They Unwind

- 1 Exercising, exclusively golfing, running, hiking, biking, tennis and watching
- 2 Spending time with their families
- 3 Boating
- 4 Gardening
- 5 Practicing yoga, meditation

SOURCE: SURVEY RESPONSES FROM THE 2005 PREMIER 100 IT LEADERS



Tom Sawyer
computerworld.com

USING BUSINESS SAVVY TO RESCUE A FAILING PROJECT

BY HEATHER HAVENSTERN

Vickie M. Smith landed her job as senior director of IT at Helena Chemical Co. after spearheading efforts in 1999 to clean up a beleaguered Oracle ERP project that was 600% over budget and not working.

After being promoted from assistant controller to her current position in 2000, she finished the job, getting all major systems working within 18 months.

How did she do it? To fix that problem — and tackle the new challenges she faces today — Smith, 50, leverages the thorough understanding of the business and end users she developed working as Helena's assistant controller for more than five years.

"I don't think you can be a manager and a leader of any department unless you understand the business and the scope of what you are leading," Smith says. "Having a business background has been the key to my success. . . . The business sector looks at it as understanding what they do and knowing what they need. IT has gone from being one of the least-desirable departments here to being known as one

of the premier departments here."

Recently, Smith led a major project to upgrade Oracle 10.7 client/server-based applications to the Web-based Oracle 11i suite. The project went live under budget and more than two days ahead of schedule and locked users out of the system for only three days instead of the scheduled five.

As part of that effort, she directed a development team that tested, recorded and migrated more than 600 Helena customizations to the system three months prior to the upgrade for less than \$1 million — far less than Oracle's estimate of \$10 million to complete the project.

"It's taking a risk because my upper management is asking if we can do it in-house, and I said yes, so that is putting everything on the line," she says. "Basically, my staff said they didn't need anybody. So I trusted them

to do that — they have more knowledge on the systems and the company than anybody we could bring from the outside."

FT. Padmanabha, Helena's manager for technical projects, says Smith's main strength is exploiting her background to bridge the gap between business users and the IT department. For example, Smith recently brought two business analysts to the IT department to translate business needs to the technical staff.

"These guys had the business exposure, and they had the knowledge of our systems," Padmanabha says. "They always sat with the users and gathered requirements, [and] when we turn around and do some customization or build a new process, they go back and test it before the users see it. The business users are seeing a full-blown product that is actually working." © 50864



COMPUTERWORLD 100 PREMIER IT LEADERS 2005

NETTIE M. WALKER, vice president and CIO, Delphi Corp., Troy, Mich.

MARGARET M. WISSEMAN, associate dean & director of IT services, Seattle Central Community College

DAVID H. WEINBERGER, CIO, Department of the Navy, Washington

MARGARET M. WILLIAMS, CIO and vice president of IT, Scottsdale Insurance Co., Scottsdale, Ariz.

KURT D. WOETZEL, executive vice president and CIO, The Bank of New York, New York

SCOTT WULFENBINE, director of IT operations, Hewlett Associates LLC, Lincolnshire, Ill.

STEVEN WOOD, CIO, Paul Hastings, Jaroslaw & Walker LLP, Los Angeles

BRIAN A. YOUNG, CIO and vice president for IT, Oregon State University, Corvallis

JOYCE L. YOUNG, CIO and vice president of IT, CP Kelco, Chicago



FRANK HAYES ■ FRANKLY SPEAKING

A Brave New Day

WE'RE BACK. Yes, it's been a long, dark, dirty slog through the past few years. IT went from being the golden boy of the organization — the department that was going to lead everyone into miraculous new Internet-enabled ways of doing business — to the whipping boy in every budget cycle. In the wake of endless ERP rollouts, thankless Y2k success and a dot-com collapse that made all that Internet-revolution rhetoric sound silly, we've seen staff and budgets and, yes, hope cut to the bone.

But the worst is over. IT is back. The proof: what this year's Premier 100 IT Leaders have been doing.

I was drafted as one of the first-round judges for the Premier 100 Best in Class awards. These are the IT projects from the past year that Premier 100 honorees are proudest of — their most successful, most important work. Computerworld will announce the winning projects in a special report in March.

I've done this kind of thing before. I was expecting a grim, headache-inducing litany of technical minutiae and make-believe paycheck guesstimates.

Instead, I was blown away.

Not by the clever, innovative technology that some of these IT executives rolled out. Hey, I love hot new gear as much as the next propeller head. And it was fun to read about clever wireless implementations and other cutting-edge approaches to problems that don't have off-the-shelf solutions.

But what took me by surprise was how thoroughly these CIOs have mastered the people side of IT.

One project description after another was focused on the people. Users. Managers. Executives. Customers. That was where the challenges started, where the problem solving began, where the direction was forged. CEO reluctance and end-user resistance have always been problems, but at one time we would have accepted them with a shrug. Now we tackle them head-on, understanding that without executive support and user acceptance, IT projects fail.

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IT LEADER SNAPSHOTS

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SNAPSHOT: SURVEY RESPONSES FROM THE 2005 PREMIER 100 IT LEADERS

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IT Careers: What do IT Professionals Value Most in their Careers?

Life in the world of an information technology professional has changed a lot from M&M's in barrels at every corner and pets at work. Today's savvy IT professional is looking for dollars to manage and the opportunity to extend beyond technical to business leadership.

According to chief information officers and research by Challenger Gray & Christmas, Hewitt and other groups, the drive for ultra challenging work remains at the top of the list for the talented folks they recruit. When comparing their need for challenging work with the world of IT, the needs are significant — primarily in building and enhancing complex networks, enhancing business capability via technology and establishing the protocols and systems to support cyber security.

Which leads to the second priority for IT professionals: job stability. While more than 400,000 jobs will be filled in 2005, the fear of outsourcing and off-shoring remains. The best advice, according to CIOs, is to build stability by linking technical skills to

the core business. Any skill that can be written down and handed off, will be.

Professional development is the third requirement. Among the ways to evaluate a potential employer is to look at internal hiring rates and promotions. Make sure and evaluate both. The percentage of promotions indicate that an organization's career paths and professional development plans are, to some degree, in sync. A company's internal hiring rate illustrates the same point, including cross-training to grow IT careers as part of the business rather than straight business support.

Compensation and benefits is considered as given. However, during 2005, stock options will be "expensed" as part of new financial requirements. The result will be that IT professionals will be looking at base compensation, as well as whatever new options and perks will be offered. Among the considerations are tuition loan forgiveness, ongoing education, signing bonuses and detailed performance bonuses that may tend to be cash instead of stock.



For more information about IT Careers advertising, please call: 800.762.2577

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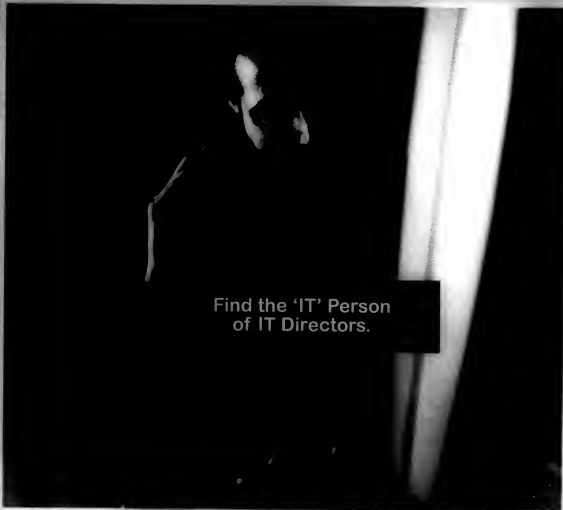
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